

EXHIBIT 6

Page 1

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 - - - - - x

4 SECURITIES INVESTOR PROTECTION

5 CORPORATION

6 v. CASE NO. 08-01789-smb

7 BERNARD L. MADOFF INVESTMENT

8 SECURITIES, LLC, et al,

9 Debtors.

10 - - - - - x

11 IRVING H. PICARD, TRUSTEE,

12 Plaintiff,

13 v. CASE NO. 09-01161-smb

14 KINGATE GLOBAL FUND,

15 LTD., et al.,

16 Defendants.

17 - - - - - x

18 IRVING H. PICARD, TRUSTEE,

19 Plaintiff,

20 v. CASE NO. 10-04946-smb

21 GOLDENBERG,

22 Defendants.

23 - - - - - x

24

25

Page 2

1 U. S. Bankruptcy Court
2 One Bowling Green
3 New York, New York

9 B E F O R E :

10 HON. STUART M. BERNSTEIN

11 U.S. BANKRUPTCY JUDGE

12

13 ECRO: Unidentified

Page 3

1 **Conference re: Madoff Day 2 Deposition Topics**
2
3 **Discovery Conference Pursuant to Local Bankruptcy Rule**
4 **7007-1**
5
6 **Conference regarding status of factual stipulation in**
7 **advance of motions for summary judgment**
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25 **Transcribed by: Sherri L. Breach, CERT*D-397**

Page 4

1 A P P E A R A N C E S :

2 BAKER & HOSTETLER, LLP

3 Attorneys for BLMIS, Trustee

4 45 Rockefeller Plaza

5 New York, NY 10111

6

7 BY: GERALDINE E. PONTO, ESQ.

8 MARSHALL J. MATTERA, ESQ.

9 DAVID J. SHEEHAN, ESQ.

10 STACEY A. BELL, ESQ.

11 AMANDA E. FEIN, ESQ.

12

13 CHAITMAN, LLP

14 Attorneys for large group of defendants

15 465 Park Avenue

16 New York, New York 10022

17

18 BY: HELEN DAVIS CHAITMAN, ESQ.

19

20 McDermott, Will & Emery, LLP

21 Attorneys for Sage defendants

22 340 Madison Avenue

23 New York, New York 10173

24

25 BY: ANDREW B. KRATENSTEIN, ESQ.

Page 5

1 SKADDEN ARPS SLATE MEAGHER & FLOM, LLP

2 Attorneys for Tremont

3 Four Times Square

4 New York, New York 10036

5

6 BY: SETH M. SCHWARTZ, ESQ.

7

8 SCHULTE ROTH & ZABEL, LLP

9 Attorneys for Picower Parties

10 919 Third Avenue

11 New York, New York 10022

12

13 BY: MICHAEL KWON, ESQ.

14

15

16

17

18

19

20

21

22

23

24

25

Page 6

1 P R O C E E D I N G S

2 THE COURT: Let's do the Goldenberg matter first.

3 MR. SHEEHAN: Your Honor, David Sheehan for the
4 trustee. I've been advised by Mr. Murphy that late last
5 evening they were able to reach a stipulation which will be
6 shortly filed with the Court. And so they would
7 respectfully request that the matter be adjourned today.

8 THE COURT: What's the next date that you have?

9 MR. SHEEHAN: I don't have one.

10 THE COURT: You don't? August 23rd.

11 MR. SHEEHAN: Thank you, Your Honor.

12 THE COURT: Let's do the Kingate matter next.

13 (Pause)

14 THE COURT: Who wrote the first letter?

15 MR. MATTERA: I did, Your Honor. Marshall Mattera
16 for the trustee. And I'm here with my colleague, Geraldine
17 Ponto.

18 THE COURT: How do you do? You have the floor.

19 MR. MATTERA: Good morning, Your Honor. We're
20 here today because we wrote a letter to the Court requesting
21 a conference regarding a discovery dispute in the adversary
22 proceeding, Picard versus Ceretti, which is adversary
23 proceeding 09-01161-smb.

24 The trustee served non-party, Tremont Group
25 Holdings, with a Rule 45 document subpoena on June 7th,

Page 7

1 2016. The trustee has been trying in good faith to reach a
2 consensual resolution for over a year, but has now
3 determined that it cannot obtain compliance with certain
4 requests in that subpoena. Those requests are numbers one
5 through four and seven through eight of the subpoena which
6 is attached as Exhibit B to the trustee's letter.

7 The requests seek Tremont's communications and
8 other documents concerning key players that are specific to
9 the operation and management of the Kingate Funds, which are
10 the defendants in this proceeding.

11 This information will bear on the Funds' state of
12 mind and business relationships, including the element of
13 actual knowledge that this Court has addressed in its order
14 substantially denying the Funds' motion to dismiss.

15 Tremont persists in challenging relevance, but
16 it's indisputable that Tremont has relevant and responsive
17 information. Tremont was co-manager of the defendant,
18 Kingate Global, for over a decade. Tremont's founder,
19 Sandra Manzke, introduced Ceretti and Grosso to Madoff and
20 then served on Defendant Kingate Global's board of directors
21 for ten years while she was also an officer at Tremont.

22 Tremont also has asserted that its productions
23 eight years ago contained documents responsive to the search
24 terms that the trustee has proposed in this proceeding.

25 However, those productions were in response to a

Page 8

1 Rule 2004 subpoena issued toward the outset of the trustee's
2 investigation. The productions were in response to
3 different requests and were produced using search terms that
4 are different to the search terms the trustee has proposed
5 here which are specific to this proceeding.

6 Tremont also has objected that it lacks the
7 resources to comply with this subpoena, but it has provided
8 no information to substantiate this claim.

9 Nevertheless, over the past more than a year the
10 trustee has proposed numerous compromises which would have
11 eliminated the burdens Tremont has complained of. As to
12 electronic documents the trustee proposed to further narrow
13 its already narrow search terms. The trustee also proposed
14 to exchange discovery related technical information with
15 Tremont to control costs. The trustee even offered that
16 Tremont could produce all documents responsive to these
17 narrow search terms and the trustee would review those
18 documents subject to a claw back arrangement.

19 In response, Tremont has rejected these
20 compromises and offered none of its own. Tremont agreed to
21 run the further narrowed list of search terms resulting in
22 approximately 50,000 electronic documents, but Tremont
23 refuses to produce any documents unless the trustee pays its
24 vendor costs of production and \$500,000 that it estimates
25 will be the cost of its own attorneys to review for

1 responsiveness and privilege prior to production.

2 Under the trustee's proposals these costs would
3 have been entirely unnecessary. As to privilege, there are
4 adequate protections available to Tremont that would address
5 this concern. There are the protective orders in this case
6 that have claw back provisions and other protections.

7 There's a claw back provision in Rule 45, and the trustee
8 even offered to negotiate a claw back arrangement that would
9 address any remaining concerns as to this issue.

10 As to responsiveness, that review that Tremont
11 insists that it conduct itself is also unnecessary. The
12 terms that the trustee has proposed track the requests and
13 these search terms are agreed upon, and the trustee offered
14 to do the review itself.

15 As to Tremont's hard copy documents, it has stated
16 that it has approximately 1,200 boxes of documents that are
17 potentially relevant and responsive to the trustee's
18 requests. The trustee also offered to review those
19 documents at their physical location at the trustee's
20 expense. Tremont rejected that compromise, too, without
21 offering any compromise of its own.

22 The trustee also proposed that this be resolved by
23 the discovery arbitrator. Tremont refused to consent.

24 Therefore, the trustee intends to move for an
25 order compelling Tremont to produce documents responsive to

1 the requests.

2 THE COURT: Thank you.

3 MR. SCHWARTZ: Good morning, Your Honor.

4 THE COURT: Good morning.

5 MR. SCHWARTZ: Seth Schwartz for Tremont.

6 As we set forth in our letter Tremont does not
7 have resources to do these searches.

8 THE COURT: Is that what the issue is, resources
9 as opposed to relevance or something else?

10 MR. SCHWARTZ: Oh, it's relevance, too. But, I
11 mean, it's -- when you're doing the burden analysis one of
12 the factors, of course, is resources. Another factor is is
13 it worth the money to go after all this stuff when you're
14 going to turn up something that's totally irrelevant anyway.

15 Now we -- Tremont litigated these cases for many,
16 many years and the issue in all these cases is the same,
17 what did Tremont know about Madoff. And the issue as I
18 understand it --

19 THE COURT: Well, it's a little different here.

20 It's what did Kingate know about --

21 MR. SCHWARTZ: Right.

22 THE COURT: -- Madoff.

23 MR. SCHWARTZ: Exactly.

24 THE COURT: And how the communications -- I would
25 think that due diligence that was conducted on Madoff,

Page 11

1 communication -- which may have been produced already,
2 communications between Tremont and Kingate or some of these
3 other advisors relating to investments would certainly be
4 relevant. I don't know if they were part of the prior
5 production.

6 MR. SCHWARTZ: Well, when we were working things
7 out with Mr. Picard's lawyers way back when we turned over
8 everything that we had relating to Tremont's due diligence
9 on Madoff. And --

10 THE COURT: Okay.

11 MR. SCHWARTZ: -- if there were anything that had
12 the name Kingate on it in connection with that due diligence
13 it was produced or would have been produced.

14 The -- in theory it seems to make sense that there
15 might be communications between Tremont and Kingate relating
16 to Madoff that bear on Kingate's knowledge of Madoff. But
17 the reality is that even though not only Tremont was co-
18 manager and, in fact, it was not -- it didn't do -- it
19 wasn't investigated by a search of Kingate. It was
20 effectively raising assets for the manager of Kingate and
21 had no role in the oversight of investments in Kingate. It
22 was essentially a mechanism for Tremont to place assets with
23 a Madoff feeder fund in the event its own (indiscernible)
24 funds ran out of capacity to invest directly with Madoff.

25 And Tremont and Kingate were effectively

Page 12

1 competitors and they didn't talk shop about Madoff. They
2 zealously guarded whatever they knew and were not interested
3 in sharing that kind of information.

4 And I can -- Your Honor, if there were such
5 information it was called for again when we were directly
6 negotiating with Mr. Picard's lawyers. And if anything like
7 that existed it would have been produced. It would have
8 been well within the search parameters that were done years
9 ago. And we've literally over the course of the years
10 turned over everything that Tremont has that's directly
11 relevant to due diligence, the communications relating to
12 Madoff, and we have no reason to believe that there's
13 anything else out there that truly is relevant that hasn't
14 already been produced.

15 And during the course of these -- this year-long
16 meet and confer that we've had, we've essentially begged
17 counsel to explain to us specifically what kinds of
18 documents that they haven't already seen that you think we
19 have that would be relevant. And, you know, we don't get a
20 response to that. We just get search terms.

21 So we went along with that and we did these
22 searches and we came up with thousands and thousands of
23 hits, again, without any reason to believe that any of them
24 are relevant.

25 Now I happened to bring with me today just a

Page 13

1 couple of e-mails that are representative of what you get
2 when you get these searches. And on the face of them you
3 can see they have -- they're basically innocuous
4 communications that have nothing to do with -- I'm sure have
5 nothing to do with the issues in the case against Kingate.

6 So when you look at the lack of relevance, the
7 lack of potential relevance, the extraordinary cost
8 involved, it seems to me that if plaintiff could come up
9 with a specific list of documents that they don't think they
10 can get from Kingate that Tremont would have, then we would
11 have something to talk about. But otherwise it's just a
12 classic fishing expedition.

13 THE COURT: Well, one of the -- I mean, I'm not
14 going to tell you you can't make a motion to compel
15 discovery. Another way to do it is to identify a hundred
16 documents. You produce them, I'll look at them and if it
17 looks like this is just a fishing expedition and you still
18 want them, you'll pay for it, I guess.

19 But if you're going to make the motion and you're
20 going to make an argument that you just made, I need a
21 factual record for that, particularly if there's going to be
22 cost shifting. I need a factual record for that regarding
23 ability and things like that.

24 So you can go ahead and make your motion and I'll
25 deal with it in that manner.

1 Okay.

2 MR. SCHWARTZ: Thank you, Your Honor.

3 MR. MATTERA: Thank you, Your Honor.

4 THE COURT: The Madoff day two deposition topics.

5 (Pause)

6 THE COURT: How are you?

7 MS. CHAITMAN: Helen David Chaitman, Your Honor,
8 on behalf of the large group of defendants.

9 We are anxious to set a date for Mr. Madoff's
10 continued deposition. It is not practical to hold off
11 taking that deposition until we review this massive set of
12 new documents which could -- it could take us a year to get
13 through that. So I don't -- given Mr. Madoff's health and
14 his age, I think it's important that we take the deposition.
15 And if it turns out that we discover documents in these new
16 productions which will require questioning of Mr. Madoff and
17 he's still available, we'll have to come back to you and
18 seek permission.

19 THE COURT: So you -- you're proposing to separate
20 the discovery issue from the continued deposition because
21 they were tied together last time?

22 MS. CHAITMAN: Right. But the -- now that the --
23 the trustee has now served a --

24 THE COURT: Let me ask if the trustee has any
25 objection to that procedure?

Page 15

1 MR. SHEEHAN: No, Your Honor.

2 THE COURT: Okay. So let's talk about the day two
3 topics right now. Let's get that out of the way and then
4 we can deal with the discovery issue separately.

5 MR. SHEEHAN: Sounds good.

6 THE COURT: So what's the issue with the day two
7 topics?

8 MS. CHAITMAN: Well, are you asking me?

9 THE COURT: I'm --

10 MS. CHAITMAN: From our perspective there were --
11 what Your Honor had previously indicated was that individual
12 attorneys would be able to pose questions that are specific
13 to their clients.

14 THE COURT: Yeah. But I remember and I think it
15 was Ms. Nevel who stood up and wanted to ask follow up
16 questions regarding day one topics. And, you know, we
17 talked about that this was -- you were basically
18 representing the defendants who were still in there for the
19 purpose of deposition because everybody couldn't come into
20 the prison --

21 MS. CHAITMAN: Correct.

22 THE COURT: -- and do the deposition. So I'm not
23 inclined to continue the day one deposition.

24 The day two deposition I thought I had intended
25 that if people had specific questions about that -- who were

Page 16

1 still involved, if they had specific questions about their
2 accounts or, you know, I guess if he had knowledge of their
3 accounts they could ask about it. It doesn't sound --

4 MS. CHAITMAN: The only --

5 THE COURT: -- like it's going to be a terribly
6 long deposition.

7 MS. CHAITMAN: The only exception I would ask for,
8 Your Honor, is that as you may recall the trustee, pursuant
9 to Magistrate Judge Moss's January 7th, 2017 order has
10 produced about 500 reels of microfilm documents and some of
11 those are very, very important, and I would like the
12 opportunity because those were produced in April and I
13 didn't have the opportunity to question Mr. Madoff about
14 them. I would like to be able to question him at least
15 about those. I mean, I --

16 MR. SHEEHAN: I have no objection, Your Honor.

17 THE COURT: All right. Fine.

18 MS. CHAITMAN: Okay.

19 THE COURT: And then the only other issue I think
20 that came up were these 302 reports?

21 MR. SHEEHAN: Yes. And we agree with the
22 examining on those. So --

23 THE COURT: All right. So those are -- it sounds
24 like the three --

25 MR. SHEEHAN: I think those are the three areas

Page 17

1 that you're --

2 MS. CHAITMAN: The only thing I would ask on the
3 302, it's a heavily redacted --

4 THE COURT: I saw it. You know what, it doesn't
5 mean anything to me.

6 MS. CHAITMAN: Yeah, because it's so redacted.

7 THE COURT: But if you want to ask him about it,
8 it sounds like it's going to be about five minutes of
9 questioning.

10 MS. CHAITMAN: But is there a way, Your Honor, to
11 get the complete report?

12 THE COURT: That's an issue involving the
13 Department of Justice.

14 MS. CHAITMAN: Okay, because clearly it's not an
15 admissible document in its present form.

16 THE COURT: I agree with you on that. I don't
17 know what you're going to ask him about it, but people seem
18 to want to ask him about it. So I suppose you can ask him
19 what he said to the FBI.

20 MS. CHAITMAN: Mr. Sheehan did that already --

21 THE COURT: Yeah. I saw --

22 MS. CHAITMAN: -- in the last deposition. He went
23 into great length about it, but he didn't have the heavily
24 redacted 302. But I --

25 THE COURT: No.

Page 18

1 MS. CHAITMAN: -- I've -- I find it objectionable
2 to --

3 THE COURT: Well --

4 MR. SHEEHAN: Your Honor, if it was unredacted
5 would -- I apologize for interrupting.

6 THE COURT: I'm sorry.

7 MR. SHEEHAN: I'm sorry.

8 THE COURT: You know, at best I guess an
9 unredacted document would set -- first of all, I'm assuming
10 it's admissible because it's an official report. I don't
11 know. Obviously, I'm not ruling on it. But, you know, if
12 the document said Madoff said X, and Madoff says, I never
13 told these guys that, you know, I don't know where that
14 leaves us.

15 But, look, you can ask him about it.

16 MR. SHEEHAN: I understand that, Your Honor. The
17 reason I asked the question is that we asked obviously for
18 the complete document. The U.S. Attorney, for its own
19 reasons undisclosed to us, decided that it didn't want to do
20 that and gave us those portions of it which they felt
21 directed, you know, to the issue of 1992 that --

22 THE COURT: Is there a procedure by which you can
23 compel the production?

24 MR. SHEEHAN: We did go through that procedure.

25 It's called filing a certain letter or whatever. The reason

Page 19

1 I'm asking Your Honor the question, which realize
2 respectfully, is that if we can go back to the U.S. Attorney
3 and say, look, we're going to have trouble with admission
4 here unless we have a full document that both adversaries
5 and the Court can examine, maybe I can convince them at that
6 point because I'll be candid, Your Honor. I see no real
7 purpose. The U.S. Government's case as far as I'm concerned
8 is over. We just settled the two, you know, estates. And
9 there are no further criminal prosecutions.

10 So I see no reason why it can't be -- and there's
11 nothing in there that, you know, I could represent it
12 because I have read it. Ms. Chaitman could also read it in
13 its entirety. They will allow you to go down and read it,
14 but they won't let you, you know, copy it or do any of those
15 things.

16 THE COURT: Well, I mean, that's up to her. But
17 --

18 MR. SHEEHAN: Right.

19 THE COURT: -- the document itself in that form
20 would not be admissible.

21 MR. SHEEHAN: Okay.

22 THE COURT: I suppose you could call the agent's
23 also if they remembered. But --

24 MR. SHEEHAN: No. That thought's occurred to us,
25 but, you know, we've early on, there's a long history to the

Page 20

1 U.S. Attorney and the trustee, we've asked in the past for
2 the assistance of the FBI and that's been denied to us
3 because of, again, pending criminal prosecutions and they
4 don't want to in any way potentially corrupt their
5 investigation or their trial.

6 Again, I would be more than happy to call, you
7 know, the two agents, Mr. Kelley and his colleague.

8 THE COURT: Anybody can testify to what Mr. Madoff
9 told them, I suppose, on an issue that's relevant.

10 MR. SHEEHAN: It's an admission.

11 THE COURT: Well, it's an admission by the estate.

12 MR. SHEEHAN: Yeah. Right.

13 THE COURT: Okay. All right. So the three
14 topics, general areas are the 302s, follow up questions on
15 specific accounts of the people who are still in it, and
16 this -- these 400 reels or whatever the number is --

17 MS. CHAITMAN: The documents --

18 THE COURT: -- or something in there. Right.

19 MS. CHAITMAN: -- that have just been -- yeah.

20 THE COURT: Anything else?

21 MR. KRATENSTEIN: No, Your Honor.

22 THE COURT: All right. So why don't you just
23 provide the usual order, with Picower out, and listing the
24 topics.

25 MR. SHEEHAN: All right.

Page 21

1 MS. CHAITMAN: Okay.

2 THE COURT: Okay.

3 MR. SHEEHAN: Thank you, Your Honor.

4 THE COURT: Now let's deal with the discovery for
5 a minute.

6 You know, one of my concerns about discovery in
7 these cases is every time I had a hearing I get a little
8 more information, pre-existing information the next time I
9 have a hearing.

10 From what I've read, although it was in a
11 different adversary proceeding, Mr. Moss dealt with the
12 issue of the production of these 4,700 boxes I thought and
13 said to you, Ms. Chaitman, why don't you look at the list
14 and see if you can pull out what it is that you propose.

15 MS. CHAITMAN: Here's the problem, Judge. We just
16 got with the July 14th data this 183 --

17 THE COURT: Yeah.

18 MS. CHAITMAN: Yeah. Okay. So --

19 THE COURT: So that's the universe of the 4,700
20 boxes we're talking -- oh, 5,300 boxes, whatever the number
21 is.

22 MR. SHEEHAN: What that represents, that exhibit,
23 is the 5,300 tapes.

24 THE COURT: Of tapes. Okay.

25 MS. CHAITMAN: Okay. So the thing that's hard,

Page 22

1 Judge, is that we had a conference call yesterday with three
2 people from Baker & Hostetler, Mr. (indiscernible), and we
3 asked questions about this document which we had not seen
4 before this letter.

5 And this was done by we were told an outside
6 vendor. So if a tape is labeled something by an outside
7 vendor who is not knowledgeable about the case, who is not a
8 lawyer, I don't feel comfortable simply relying upon that
9 and making a decision which could impact my clients' --

10 THE COURT: Uh-huh.

11 MS. CHAITMAN: -- lives so significantly. I
12 really feel that we need to go through these documents and,
13 you know, some of them -- look, obviously, some of them have
14 now been produced pursuant to Magistrate Judge Moss's order.
15 But the vast majority have not.

16 THE COURT: Right.

17 MS. CHAITMAN: And I think clearly we're entitled
18 to these documents. These are documents that should have
19 been posted in the e-data room from inception. They should
20 have been provided to Mr. Davinski (ph) along with a check
21 for \$30 million so that the trustee's contention throughout
22 this case that Madoff never purchased securities for any of
23 the investors or advisory customers could have been tested
24 against the facts.

25 You know, with -- Mr. Picard has based his claims

Page 23

1 upon this fundamental fact. He has led us all to believe
2 that the e-data room contained the entire universe of
3 documents --

4 THE COURT: I know the history. As I understand
5 it, the dispute is who is going to pay for this. The
6 trustee doesn't -- the trustee would produce this stuff, but
7 you would have to go and look at it at your own -- on your
8 own dime, on your own time. That's what they're --

9 MS. CHAITMAN: Yeah. Okay.

10 THE COURT: Is that a fair approximation, Mr.
11 Sheehan, of the trustee's position?

12 MR. SHEEHAN: Your Honor, essentially that's part
13 of it, but I would like to be heard. I --

14 THE COURT: Yeah.

15 MR. SHEEHAN: -- don't want to interrupt here.

16 THE COURT: Okay.

17 MS. CHAITMAN: Okay. When I was here last time,
18 Judge, I had no idea -- we hadn't been provided with this
19 document which we learned last night --

20 THE COURT: Okay.

21 MS. CHAITMAN: -- has been in existence for --

22 THE COURT: Okay. So now you have it. What --

23 MS. CHAITMAN: -- since 2010.

24 THE COURT: -- do you propose to do with it?

25 MS. CHAITMAN: Well, look, if you say that I can

Page 24

1 only have these documents if I pay for them, I can't get the
2 documents. I don't represent SiPC. I don't have the
3 capacity to --

4 THE COURT: I understand.

5 MS. CHAITMAN: -- to get --

6 THE COURT: I understand the financial difference
7 --

8 MS. CHAITMAN: So --

9 THE COURT: -- which is one consideration.

10 MS. CHAITMAN: So basically the trustee who from
11 day one has taken a factual position no security was ever
12 purchased for investment advisory customer and when I asked
13 for documents which proved that, he didn't tell me he had
14 these documents. And now seven and a half years after he
15 filed suit we realize all these documents exist and he's
16 saying, I can have them if I come up with \$2 million.

17 THE COURT: Okay.

18 MS. CHAITMAN: I can't. So, you know, at some
19 point I'm going to ask for a dismissal of the adversary
20 proceeding. But right now I'm entitled to the documents and
21 I think the trustee who has been funded to the tune of a
22 billion dollars in legal fees can certainly afford to have
23 SiPC pay \$2 million or Baker & Hostetler can afford it if
24 that's what's necessary.

25 THE COURT: All right. Let me hear from Mr.

Page 25

1 Sheehan.

2 MR. SHEEHAN: Your Honor, I would like to harken
3 back to something you just said a moment ago and that is
4 that as we -- as we delve more deeply into this we seem to
5 be reversing history and looking at it (indiscernible) end
6 of the funnel. And you start narrowing the spans.

7 If you give me a moment I think I would like to
8 comment on that because I think it leads to some of the
9 allegations that are made in the -- against the trustee
10 which are ill-founded as well as the fact that it ignores
11 what normally takes place in all of these cases.

12 And I can use the history of the tapes as an
13 example of how that happens. As Your Honor well knows we
14 arrived. We've talked about this before. We start
15 exploring and we hire really talented people from Alex and
16 FTI to look at it. And that addresses one of the concerns
17 just expressed by Ms. Chaitman. Lawyers didn't look at it.
18 Well, to a certain extent that's correct. That doesn't mean
19 lawyers never looked at any of it. Of course they did.
20 They filed the complaints. They looked at these documents.

21 But if you're going to search microfilm and
22 there's 5,300 reels of this and it's not exactly the easiest
23 thing in the world to do, it cost us, you know, a lot of
24 money to just restore those 200.

25 THE COURT: When you say restore, that -- I'm not

Page 26

1 understanding the technology.

2 MR. SHEEHAN: Okay. What that means is, is that

3 --

4 THE COURT: You have films and as I said the last
5 time --

6 MR. SHEEHAN: Right.

7 THE COURT: -- 50 years ago when I went to the
8 library you put the film in the machine and you roll the
9 crank and you looked at it.

10 MR. SHEEHAN: And if you had 10,000 minions doing
11 that you might make your way through it.

12 THE COURT: So what do you mean by restore?

13 MR. SHEEHAN: Well, what we do is we actually
14 restore it to a digitized state. In other words, it's now
15 digital. It's searchable. Right. And --

16 THE COURT: So why do you have to do that?

17 MR. SHEEHAN: Why do we have to do that? Because
18 then you don't have to sit there and go like this. You can
19 put search terms into it. And e-discovery, if we were to
20 produce the 19,000 bits of media, you know, we're probably
21 talking hundreds of terabytes of data here. And I don't
22 know how you would ever in a lifetime sit down and read all
23 of those.

24 THE COURT: But if she wants to look at it --

25 MR. SHEEHAN: Why don't we -- can I --

Page 27

1 THE COURT: Yeah.

2 MR. SHEEHAN: -- continue, Your Honor? I think I
3 have an answer to that. I understand Your Honor's concern.
4 I want to try to address it. All right.

5 So what happens is, is that we get in there and
6 now it's we find these 5,300 tapes in three different
7 locations. We give Alice the task of first of all creating
8 this document that Your Honor is now seeing.

9 Now to us that's work product. That's what we've
10 been working with, et cetera. We utilized that to decide
11 which tapes we would look at to determine the cash in, cash
12 out which was our main focus at that point predicated upon
13 the fact that for the ten years where we did have bank
14 records and all the other records it was clear that no
15 securities were being purchased and that this was indeed a
16 Ponzi scheme.

17 So we focused upon 400 of those tapes. All right.
18 And those 400 tapes have been in the data room, 400 tapes,
19 in the data room since 2012.

20 Now Ms. Chaitman says, well, I didn't know about
21 this. And I understand why she may not have. But if you go
22 back to our, you know, our rules that we operate under, you
23 know, the rule is that we have to make initial disclosures.
24 And if Your Honor will bear with me I would like to read to
25 you the initial disclosure we made in August 1, 2011: "To

Page 28

1 all" -- you've got realize I'm -- Ms. Chaitman is not the
2 only defendant here. We have hundreds and thousands of
3 these people.

4 So it says in the -- this is quoting: "The trustee
5 has assumed possession of and/or has access in conjunction
6 with the Federal Bureau of Investigation" -- you realize the
7 FBI is there with us hand in hand -- "to approximately
8 11,700 boxes" -- it's not 13. I'll explain that in a minute
9 --

10 "Of BLMIS paper records in 19,000 media sources
11 containing electronically stored information, ESI,
12 which include, but are not limited to, desktop
13 computers, laptop computers, AS400s, hard drives,
14 network storage, microfilm, microfiche, backup
15 tapes, PDAs, floppy discs, compact discs, and
16 memory cards."

17 So we have preserved all the data. He assumed
18 possession of it on April 15, 2008.

19 "With respect to these materials some paper and
20 some ESI are stored in one or more electronic
21 databases totaling 3.5 terabytes or 27.9 million
22 documents."

23 Now that's how you start discovery. You don't
24 start discovery at the back end which is what's happened
25 here. Someone should have sat down with us from Ms.

Page 29

1 Chaitman's office and said, well, you have all these things.
2 For us to then spread it out all over when the vast majority
3 of people would have no interest in it. You're supposed to
4 go through and say, well, what do you have, what does it
5 show you, what -- you know, what -- none of that ever
6 happened. You're -- the reason you're hearing this sort of
7 through the wrong end of the funnel is because of how we're
8 approaching it.

9 So if someone had sat down we would have done
10 that. And what they could have done, all right, is searched
11 the 400 tapes that were on there since 2012. But for the
12 longest period of time Ms. Chaitman refused. She considered
13 the data base a document dump. And that, therefore, she
14 shouldn't have to go look and that we should just cherry
15 pick stuff for her and produce it.

16 Well, there are orders entered. There are
17 protective orders. There's an orderly process to all of
18 this which she chose and still chooses to ignore. So as a
19 result we find ourselves here today. Now we can't -- and,
20 you know, re-going through all of this history.

21 Now let me just finish, if I may.

22 And so what happens is is that we're in front of
23 Judge Moss and she's been complaining for some time about
24 trading records. Now trading records I think our letter and
25 I hope your letter and I want to last make it clear, that

Page 30

1 trading records is a term that requires careful usage and
2 cannot be just used and bandied about that trading records
3 show this kind of trading.

4 All right. We have found, I make this statement
5 flat. All right. We have found no evidence, no evidence
6 from any third party sources that would substantiate the
7 fact that any trading took place for customer accounts in
8 the investment advisory accounts.

9 Now this is with thousands and thousands, the
10 millions and millions of dollars that our friend, Ms.
11 Chaitman, is talking about that we spent looking. We had no
12 preset notion, notwithstanding the outlandish allegation
13 about the conspiracy with SiPC which I believe Your Honor
14 has already rejected. But the point is we have no basis
15 for this. When we find the facts as we find them, it's --
16 and it's indisputable given all the records that we have
17 that from back to '98 there is no trading. And there isn't
18 a record that we've looked at since then that would prove
19 otherwise.

20 And nothing that Your Honor has been shown to date
21 by our adversaries proves otherwise, notwithstanding their
22 protestations to the contrary. And I will address those,
23 too, if Your Honor will permit me.

24 All right. So what we're looking at is, is so
25 Judge Moss hears this and he turns to us and says, well, you

Page 31

1 know, are there other trading records, and we say, well,
2 we'll look and see what's in the microfilm. All right. And
3 we look and we identify additional 201 that are 1992 or
4 earlier predicated upon the fact that Madoff's people, when
5 they created the tape, put on a date and said this is what
6 it represents.

7 So we did that and looked at it. We gave those
8 things to her. So since April she's had 600 tapes that she
9 can search and look at and tell you what's gone on. All
10 right.

11 So I want to show Your Honor, if I might, and I
12 have these for my adversary, too. What these are, are
13 demonstratives if I could just hand them -- a copy of them
14 up to Your Honor and give them to Mr. Kratenstein and Ms.
15 Chaitman. Do you want this --

16 UNIDENTIFIED SPEAKER: I can --

17 MR. SHEEHAN: I can come up and --

18 UNIDENTIFIED SPEAKER: I can --

19 MR. SHEEHAN: I need one for the judge.

20 UNIDENTIFIED SPEAKER: Sure. Do you want all five
21 or do you want the first two?

22 MR. SHEEHAN: No. I want all of them.

23 UNIDENTIFIED SPEAKER: All of them. Okay.

24 (Pause)

25 MR. SHEEHAN: Thank you, Your Honor.

Page 32

1 THE COURT: Thank you.

2 MR. SHEEHAN: So what we did is we tried to break
3 this down into processed and unprocessed. If anything I
4 would say we started doing some of Ms. Chaitman's work here
5 for her, but we're happy to do it. All right.

6 So what you can see in the processed and
7 unprocessed reports, okay, is that which -- these are the
8 report types on the left-hand side. All right.

9 THE COURT: What's C&S?

10 MR. SHEEHAN: Cash and securities. Customer
11 ledger, other, other was a designation by Alex when he
12 couldn't find, you know, something to call it and they just
13 called it other, profit and loss, PMR is portfolio
14 management reports, PMR and other. And so they went through
15 and they did this analysis, et cetera.

16 Now Your Honor can see that there's the 40 -- the
17 next column is not processed and you see the identity of the
18 kind of stuff that's not been processed. It's 4,700. We
19 look at the processed and you see 602, and you can see the
20 kind of things that we were producing: Positions, stock
21 record trading 214, customer ledger 263, cash and securities
22 45.

23 Now Your Honor can say, well, that's not enough of
24 a representative sample. But what you'll continue to -- if
25 you go through this what you'll see is, if you go to the

Page 33

1 next page, is that processed and unprocessed reports by year
2 on the next page show you that what we did process was
3 everything from 1992 back which is the focus of our exercise
4 here because it's been conceded by Mr. Madoff that it didn't
5 start until 1992.

6 And you can see, therefore, that we thought that
7 we had produced, you know, between the six -- the 400 --

8 THE COURT: Because you're still contending that
9 it did start before 1992.

10 MR. SHEEHAN: Oh, absolutely. So -- but this is
11 -- Ms. Chaitman is suggesting that she wanted records prior
12 to '92 to show that there was actual trading taking place.
13 All right. So we gave her all of that. And we didn't give
14 her any -- you know, so the 4,700 all represent post-1992
15 documents. All right.

16 Now the next thing we see is, is that these are
17 the -- the ones for the position, stock record and trading
18 reports summary. In other words, and this is more readily
19 seen if we get to the two charts past it, but let me explain
20 what we're about to look at and that's this, is that there's
21 a lot of data on these three microfilms, not all of which
22 would relate to, you know, the idea of whether or not there
23 was actual trading taking place which as I understand it is
24 the focus of Ms. Chaitman's inquiry.

25 So what we did is we broke it down into those

Page 34

1 categories that would appear to us to be the ones that are
2 most interesting to her, and they add up to 1,281. And you
3 say, well, what does that represent. If you look on the
4 next page you'll see that we have a pie chart and it says,
5 position stock record trading unprocessed microfilm reels.
6 What this represents is if you took all of the pages that we
7 gave Ms. Chaitman, the 168 pages, and broke it down into
8 what Mr. Madoff said were on these tapes, this is how it
9 would break down. They had open long positions, stock
10 records, et cetera. And these are all the ones and how they
11 broke down into percentages.

12 And then the next page we took the ones that we
13 processed and broke that down. And this shows you that we
14 gave her a very good representative sample of all the
15 documents that are in there including what we believe to be
16 the ones that she would be most interested in looking at.

17 So in other words this wasn't just a random
18 exercise by us. An effort was made by the trustee taking
19 the records that were available to him to respond very
20 directly to her statement that she did not get trading
21 records.

22 Now when we had done all this, this goes back to
23 Judge Moss and your reference taken earlier, and that is, is
24 that Ms. Chaitman got the -- you know, we did some -- what's
25 in the data room at this point by April, okay, and what's

Page 35

1 available to Ms. Chaitman directly. So in the data room is
2 the 400 tapes that we've put in there back in the early
3 2000s, or 2011 and '12. It's been there since at least
4 2012.

5 We ran 147 search terms on that and produced the
6 documents. And at the time there was no objection. Later
7 Ms. Chaitman objected to our search terms, added 17 more.
8 We ran those and gave her those documents. All right. So
9 those have been from our perspective thoroughly searched by
10 our search terms and hers.

11 Then what we did is we found the -- those tapes I
12 was telling you about earlier from '92 back and we processed
13 those so she could digitally look at them and do her own
14 search terms, et cetera, and we gave those to her in its
15 entirety. So now she has that 600 tapes that are shown on
16 that last pie chart showing a representative sample.

17 So what we're saying here today, this is a long-
18 winded answer to Your Honor's question. We're not saying
19 that proportionality means the trustee ahs a lot of money,
20 she has none, and therefore, you know, we should pay for it
21 or they should. What we're saying is, is that
22 proportionality takes place in the context of the discovery
23 at hand. All right. What are we going to gain by
24 continuing to look and research and spend money when I think
25 we've given Ms. Chaitman with the 600 that she has more than

Page 36

1 adequate data to come to Your Honor and then say, I've
2 looked at this, look at what I've found. Your Honor, you
3 should allow me to look, if not at all 4,700, at least the
4 1,281 that the trustee admits has stock record and other
5 information on it, and I should be able to look at it.

6 I respectfully submit she has not done that. All
7 right.

8 Now the two things that we've heard about from Ms.
9 Chaitman, and in her last submission she gave them to us,
10 was treasuries. It was exclusive information according to
11 Ms. Chaitman. The treasuries have been known about since
12 the very beginning. Very early in the case there was a
13 letter written by Mr. Hardvac (ph), I think it's been
14 referred to in this room, in which we disclosed to
15 (indiscernible) that, in fact, over \$16 billion worth of
16 treasuries were purchased.

17 It's a money business. It's a Ponzi scheme.
18 Deals in cash. The question is did he buy any of those
19 treasuries for customers (indiscernible). If you take any
20 number of Ms. Chaitman's exhibits and compare those to the
21 703 account at the same time, no treasuries were purchased.
22 None. Just what we (indiscernible). She can't find those.
23 All right.

24 Same thing is true with regard to the banks
25 themselves because she doesn't actually know what's

Page 37

1 (indiscernible) bank and a few other banks where she's said
2 that's actually happened. We have no correlation there
3 either. She's not making that correlation. All right.

4 The mere fact that we have treasuries being
5 purchased is unremarkable. It doesn't mean anything, not
6 unless she can actually show that they're purchased for a
7 particular account. And that's going to require a little
8 more legwork than what Your Honor has before you.

9 Mr. Kratenstein, I don't disagree and that's why
10 he should be entitled to question Mr. Madoff about it. I
11 don't object to that at all. But he shows Your Honor
12 certain stocks that he found in there that were delivered in
13 by his family using that term broadly. We don't dispute
14 that either. All right. We found that happened. Everyone
15 who opened an account with Madoff didn't give him cash.
16 They gave him stock. And when he got it he liquidated it.
17 All right. He turned it into cash and then started this --
18 his efforts.

19 There's no trading that. He's cashing it in. And
20 we can show that. All right. We can show that that's what
21 actually happened to those stocks.

22 Now it's going to show up, all right, in DTCC
23 records and so it looks like there's something actually --
24 because there was only one DTCC account. That was the one
25 for the market making and proprietary. He didn't have a

Page 38

1 separate one for investment and advisory. That was a closed
2 system and no outside world had contact with it. So for him
3 to then negotiate and sell those stocks that were delivered
4 in for -- by that customer, they are going to show up. They
5 -- I don't disagree. They'll show up in DTCC and they'll
6 show up in the market making records. Why, because --

7 THE COURT: Have the --

8 MR. SHEEHAN: -- there's no other place to
9 negotiate them.

10 THE COURT: Have the DTCC records been produced
11 either by DTCC or the trustee?

12 MR. SHEEHAN: Yeah. We produced a number of
13 those. We -- certainly all the ones that we had going back
14 to 1998 included in the reference that we've given to Ms.
15 Chaitman. And I want to be very careful with this date
16 here. There's a predecessor at DTCC called National
17 Securities Career Incorporation, NCSS. We have found
18 records of those.

19 We believe what those are, just to be very clear
20 here today in court, is that Madoff had access to -- had a
21 printer in his office and he could print that out. So while
22 it is a -- I believe an NCSS record, it is actually printed
23 out in Madoff's office, not delivered by NCSS. I think
24 that's an important distinction.

25 But in any event, we have produced those records

Page 39

1 as well. So we believe that there's enough -- more than
2 enough information in the 600 that Ms. Chaitman has, all
3 right, that she should be able to come to Your Honor with a
4 lot more information than she's giving to you now, to
5 justify the expense of taking whether it's 1,281 or 4,500
6 more tapes and putting those together.

7 Now we're going to accommodate her. We -- Your
8 Honor suggested the last time we were here, well, just give
9 her the tapes. And I guess what we could do to make it easy
10 so she doesn't have to have somebody from Iron Mountain
11 watch her or any of that stuff, we could just copy the tapes
12 and give it to her.

13 But I don't know -- and to be candid, and I think
14 Ms. Chaitman would be right if we gave her that we're giving
15 her a pig in the poke because at that point how the heck
16 could she go through 4,500 tapes without them being, you
17 know, digitized and put in a format to -- that can be looked
18 at.

19 So I believe what's before Your Honor today and I
20 think that, you know, especially in light of the Judge Moss
21 history, it's not a failure on our part to comply with two
22 prior orders or with Judge Moss's order. We believe and I
23 believe Judge Moss believed that we have complied with what
24 he asked us to do. And that what he then suggested to Ms.
25 Chaitman is, okay, fine, just where we are here today; that

Page 40

1 what you can do is look at the 600 and if you come back to
2 me and you demonstrate to me that there's reason to be had
3 that the trustee should incur the further expense of putting
4 those other tapes together, that's fine.

5 What I would also suggest in adding to that is
6 that Ms. Chaitman has those 600. She says she wants to go
7 back and talk to Mr. Madoff. I agree. We should go. We
8 should go sooner rather than later. And she can utilize
9 that opportunity to also ask him and then there would be
10 perhaps even a further record. I submit, anticipate the
11 argument that Mr. Madoff will have no knowledge of this as
12 demonstrated by what he was telling us the last time we were
13 down there. His knowledge of the back office, the trades,
14 the records and everything is very minimum. And when asked
15 about it he disavows any real knowledge.

16 So I don't know what we're going to gain, but I'm
17 more than happy to go down. I'm more than happy to have her
18 answer. But to suggest today I think -- I think there's no
19 motion pending to be frank. I think Ms. Madoff -- I
20 apologize again. I've made that mistake before and I do
21 apologize. Is that Ms. Chaitman should put together a
22 motion utilizing those 600 and Mr. Kratenstein can add to
23 that. And they've heard what I've had to say today. And I
24 recognize that we've given them a lot of additional data.

25 But I think we've given more than enough to put

Page 41

1 the onus on them to come to Your Honor with a motion that
2 says, wait a minute, whatever the trustee did here is not
3 enough. I need the rest of those tapes. And I think at
4 that point we can respond again, all right, and I'm not
5 holding anything back here. It's not like I've got more
6 than I can tell Your Honor. We're very comfortable that
7 there's nothing on those 600 nor would there be anything on
8 the 4,500 that will contradict what we're representing and
9 have represented throughout the course of the case, that
10 there was no trading going on on the investment advisory
11 side of the house.

12 Thank you, Your Honor.

13 THE COURT: Okay.

14 MR. KRATENSTEIN: Your Honor, may I be heard?

15 THE COURT: Sure.

16 MR. KRATENSTEIN: Thank you, Your Honor.

17 Good morning, Your Honor. Andrew Kratenstein of
18 McDermott, Will & Emory for the Sage defendants.

19 I want to start by thanking Mr. Sheehan for
20 acknowledging that the Sages did, in fact, deliver stock.
21 That's actually the first time -- to Mr. Madoff. That's
22 actually the first time we've heard that admission. He also
23 just said several things just now that I've never heard
24 before and was very interested to hear. He said that, yes,
25 they admit that the Sages delivered stock to Mr. Madoff, but

Page 42

1 they can show that Mr. Madoff liquidated the stock and then
2 started his scheme.

3 I would love to see that evidence. I haven't seen
4 it yet. Maybe it will help, if you show it to me, resolve
5 this case, maybe it won't. I don't know. But I would love
6 to see it sooner rather than later. We certainly haven't
7 found it.

8 What we have seen, and I attached some of this to
9 my letter back from the last hearing, are documents that
10 appear to show from Mr. Madoff's records and we did try to
11 make the showing to show what we were finding in this
12 microfilm, that (a) stocks were delivered to Mr. Madoff back
13 in the late '70s by my clients. That's now apparently
14 admitted. And that stocks were held according to Mr.
15 Madoff's records at least for some period of time at
16 different banks including National Westminster Bank and
17 MBNA, stocks or other securities including an RCA bond.

18 And if the trustee has evidence showing that those
19 records of Mr. Madoff's are inaccurate and that, in fact,
20 those positions were liquidated before the Sages gave the
21 instructions to liquidate them later in time, I would love
22 to see it. Show it to us as soon as possible and maybe that
23 could help streamline this whole matter.

24 I will note that we do have a defense that
25 regardless of whether the trades actually occurred, the mere

Page 43

1 fact that the Sages directed the trading is a defense, but
2 put that aside it would also obviously be interesting for us
3 to know if the trades actually occurred or not.

4 And so we've been trying to figure that out
5 through all of the records that have been produced and it is
6 difficult to do. There are tons and tons of records that
7 have now been produced.

8 The other thing we can't -- and we just got these
9 pie charts and other charts which, again, I wish I had seen
10 before this morning so that we could study them. But, for
11 example, talking about those cash and securities records
12 that were on that list, we have done our review of those.
13 We think that they're very interesting records. We have
14 only found them at what has been produced for the house 17.
15 We have investment advisory accounts through 1985.

16 And we -- maybe they exist beyond that and maybe
17 they don't. We're curious as to why. That's one of the
18 reasons we think that the production is incomplete. It's
19 unclear to us why there are no post-1985 cash and securities
20 reports for the house 17 account. And we have questions
21 about that.

22 Turning to proportionality, you know, I will just
23 quickly take to the factors here. We have already addressed
24 resources. The importance of the issues at stake in this
25 action, as Your Honor knows the importance is, is quite

Page 44

1 large. There's also a public side of this, obviously, what
2 happened with Mr. Madoff, what was the scope of the fraud,
3 et cetera.

4 The amount of controversy from my clients at least
5 this case involves their life savings. So that's certainly
6 to them a very high amount of controversy.

7 In terms of the access to the data, the trustee
8 has all the access. We only have access to what we have
9 been given.

10 Resources, we've already discussed, and the
11 importance of the discovery to resolving the issues in this
12 case, we do think it's very important for the reasons that I
13 just said and also because as Ms. Chaitman eluded to, when
14 the trustee puts forward a \$30 million expert and says,
15 there is no evidence and my case -- their case is based on
16 an absence of evidence of real trading, then it's really
17 incumbent on them to make available to the defendants all of
18 the evidence.

19 And for them to say, well, we have to define what
20 is a trading record and what isn't, as I believe my
21 colleague, Mr. Hutmaker (ph) said at the last hearing to
22 you, what is a trading record and what isn't, what counts
23 and what doesn't, that's for the fact finder. It's not for
24 the trustee to say, well, there's no third party
25 verification so you should disregard it. That will be for

Page 45

1 the fact finder to decide what credence to give to Madoff
2 records or other records. And if Mr. Sheehan and his
3 colleagues want to prove that these are fake accounts or
4 dummy accounts or what have you and that they can show us
5 through DTCC or other records that these stock trades never
6 occurred or the stock was liquidated, they'll have every
7 opportunity to do that. But we think we need to see the
8 documents so that we can test their assertions.

9 Thank you, Your Honor.

10 THE COURT: All of the documents, all 4,700 boxes?

11 MR. KRATENSTEIN: Well, now that we've seen this,
12 you know --

13 THE COURT: What's this?

14 MR. KRATENSTEIN: Well, I'm sorry. The records
15 that have been produced it is possible that we may be able
16 to narrow that. We hadn't seen this breakdown that we got
17 until this morning. I was going to come in here this
18 morning and say, yes, because we just got this chart here
19 and for my clients at least, my clients bought and held
20 securities so they were not switched right to begin. The --
21 and the Sages (indiscernible) account they bought and held
22 securities between 1982 approximately and 2007. Okay.

23 So that's a long period of time and we need the
24 records of that entire period of time to see what happened
25 to those securities, if anything. And, again, if they have

Page 46

1 the documents that they say prove beyond a shadow of a doubt
2 or whatever evidentiary standard you want to apply that they
3 -- that it didn't occur, or preponderance of the evidence,
4 whatever. Here's the evidence showing that these trades
5 didn't occur, here's the evidence showing what Mr. Sheehan
6 just said that they were liquidated and assumes the stocks,
7 give it and then show it to us.

8 THE COURT: Your clients were giving trading
9 instructions to Madoff.

10 MR. KRATENSTEIN: Yes. In fact, I'll -- my letter
11 which was dated July 20 -- June 26th rather, if you look at
12 Exhibit C, that's an evidence of one of the instructions.

13 (Pause)

14 THE COURT: I'm sorry. What tab is that?

15 MR. KRATENSTEIN: I don't --

16 THE COURT: Oh.

17 MR. KRATENSTEIN: It's Exhibit C of my June 26th,
18 letter.

19 (Pause)

20 MR. KRATENSTEIN: I'll --

21 THE COURT: I'm looking for it.

22 MR. KRATENSTEIN: Yeah.

23 THE COURT: How frequently did your client give
24 trading instructions to Madoff?

25 MR. KRATENSTEIN: My client gave trading

Page 47

1 instructions -- he met with Madoff at least once a year or
2 more. There are more letters like this. There are at least
3 a half dozen that we found. He regularly gave trading
4 instructions. It would depend on the time. So they bought
5 securities, as I said, in the early '80s on their
6 instructions and there was a buy and hold strategy mostly,
7 but certain positions were changed over time at the
8 direction of the Sages.

9 THE COURT: Did the trades that the Sages were
10 instructing show up on the customer statements?

11 MR. KRATENSTEIN: They did.

12 THE COURT: All right. Now you're in a different
13 position than the usual investment advisory customer who
14 gave him trading discretion. I understand.

15 MR. KRATENSTEIN: Yes, Your Honor.

16 THE COURT: All right.

17 MR. KRATENSTEIN: Thank you.

18 THE COURT: Yeah.

19 MS. CHAITMAN: Judge, I won't take the time to
20 refute everything that Mr. Sheehan said, but I -- we have
21 made extensive use of the e-data room. We had no knowledge
22 that the 400 reels of documents were -- that were put in the
23 data room came from the reels. We just looked at the e-data
24 room. It didn't say these are reels. But of course we
25 looked at the e-data room.

1 But if you recall last May, May 2016, we had
2 argument on my motion to compel because I made the point
3 that a lot of my clients would not have claw back exposure
4 if they were given credit for their profits prior to this
5 foot strike.

6 And so I've always been asking for these records.
7 And as you, I'm sure you remember Ted Jacobs represented to
8 the Court that everything had been produced and was the --
9 in the e-data room. And he was bragging about how proud he
10 was of how complete the e-data room was.

11 So now of course we realize the e-data room is not
12 complete and it -- it's not -- you know, to say at this
13 point when they've been hiding this evidence for eight
14 years, to say that they should just give me the microfilm
15 reels when we're talking about this enormous massive
16 documents and we don't really know everything that's on
17 them. That little label done by the vendor is not
18 satisfactory to assure us of everything that's on each reel.

19 If I get the microfilm reels, first of all, it's
20 not manageable for me. I mean, we're talking about probably
21 15 million pages of documents.

22 Number two, the trustee's going to have to put
23 them in a readable, searchable format for himself anyway
24 because he's going to have that expense anyway because how
25 do you -- they won't be Bate stamped. If I go to trial and

Page 49

1 I have a document what am I going to do? I'm going to say,
2 it's from microfilm reel screen number 178, you know, from
3 reel -- it's not manageable.

4 In addition to which without it being searchable
5 when you're talking about 50 million pages of documents it's
6 as good as saying, you're not entitled to the evidence.

7 THE COURT: You know, I remember going on document
8 reviews when I was a young lawyer. We didn't have digitized
9 documents. We looked at the documents --

10 MS. CHAITMAN: Judge --

11 THE COURT: -- and made copies of what we wanted.

12 MS. CHAITMAN: -- I doubt very much that you had
13 50 million pages of documents.

14 THE COURT: Actually, I probably did in the --

15 MS. CHAITMAN: Okay.

16 THE COURT: -- first case I did.

17 MS. CHAITMAN: And was your adversary someone who
18 had been paid a billion dollars in a case that involves 64
19 billion and where your adversary made representations for
20 eight years that everything had been produced --

21 THE COURT: Okay.

22 MS. CHAITMAN: -- and now our hands are going to
23 be tied because we don't have the financial wherewithal to
24 prove how dishonest the trustee has been.

25 THE COURT: All right. Look, I don't have a

Page 50

1 motion before me. And I think that Sage is a slight -- is
2 in a different position than Ms. Chaitman's clients because
3 they can identify specific instructions and I think you
4 ought to deal with that issue about whether or not you can
5 produce the corresponding trading records for that day or
6 whatever it is, that it's supposedly shows up on his account
7 statements and then he can compare trading records with
8 account statements.

9 With respect to the 4,700 boxes, you're not going
10 to convince me to simply force the trustee to turn them
11 over. You're going to have to make a showing through a
12 motion or through negotiation.

13 What I would suggest since you're also appear to
14 be suspicious about the labeling or not suspicious, dubious
15 of its accuracy, is pick a small representative example, 20
16 reels, digitize them and then you can show me why these are
17 relevant or how these are relevant. If I look at the sample
18 and you don't show it to me, then you'll have to pay for
19 whatever it's going to cost. It's essentially a cost
20 shifting issue and a relevance issue, I suppose.

21 That's how I would suggest you deal with it in the
22 short term. but otherwise you can make a motion to compel
23 discovery. But he's going to come back and say, they're
24 irrelevant, but if you really want to look at them you pay
25 for it. And it's going to be the same issue.

Page 51

1 MS. CHAITMAN: Then I would suggest, Your Honor,
2 that you require the trustee to give me all the microfilm
3 and I will go through that process and try to do it myself
4 because I don't want to be in a position --

5 THE COURT: So you'll pay for it?

6 MS. CHAITMAN: No. He's just going to give me the
7 microfilm. He's not going to digitize it.

8 THE COURT: Well, he has to copy it --

9 MS. CHAITMAN: He doesn't have that.

10 THE COURT: He has to copy it.

11 MS. CHAITMAN: Well, he can certainly afford to
12 copy --

13 THE COURT: I think my suggestion is better. Look
14 through the list, pick a small representative sample, 20
15 reels, look through the reels. You can -- I assume you're
16 going to look at reels that correspond to dates in your
17 customers' statements if you're talking about treasury bills
18 or treasury trading to see if you can make a connection
19 because that's really what we're talking about.

20 MS. CHAITMAN: No, it isn't.

21 THE COURT: Well, that's what I understand it to
22 be --

23 MS. CHAITMAN: No.

24 THE COURT: -- because there's no --

25 MS. CHAITMAN: Can I correct that?

Page 52

1 THE COURT: Well, my understanding from what I've
2 heard is that the BLMIS other aspects of the business were
3 always engaged in actual transactions. They just weren't
4 allocated to customers. They were for BLMIS. And your
5 argument is that they were allocated because there are
6 corresponding entries in the customer statements where they
7 should have been allocated. Isn't that what you're arguing?

8 MS. CHAITMAN: There are different arguments.
9 With respect to the treasury, I can match up based on Mr.
10 Madoff's testimony as to where the treasuries were I can --
11 and he testified that all of those treasuries, I didn't
12 realize it was 16 billion as Mr. Sheehan said. Those were
13 purchased with 703 account money. Mr. Madoff testified --

14 THE COURT: Wasn't that just because he was
15 putting the cash into treasury bills to get more interest?

16 MS. CHAITMAN: No, because he had -- he had money
17 -- he held them to term. He held them to maturity. They
18 showed up on customer statements. And they were at Bear
19 Sterns. They were at Fidelity. They were at Lehman
20 Brothers. They were at Morgan Stanley.

21 But that's an issue post-1992. I'm focusing on
22 the 1980s, and what we've already found from the 450 odd
23 reels that were produced is we can show that the convertible
24 bond trading of our customers was supported by the ownership
25 of the securities that their statements showed they had.

Page 53

1 THE COURT: All right. Well, you can --

2 MS. CHAITMAN: But we've only gotten a small
3 portion of those. I showed -- I included those in my
4 submission to Your Honor before the last -- I -- there were
5 NCSS statements which Mr. Sheehan has conceded are
6 legitimate and there were National Bank of North America and
7 National Westminster Bank statements. And I assume they
8 were generated the same way. Computers were linked up and
9 they could be printed out by Madoff of what was being held
10 in custody.

11 So, you know, we've already established that these
12 documents prove that there was real trading done for the
13 customers. Now obviously that's going to be determined by
14 the fact finder, but we've only gotten a sliver of the
15 documents. That's why --

16 THE COURT: Well, you can show that in a motion to
17 compel discovery. There are a lot of issues that are
18 involved with cross-shifting. If you can convince me that
19 there's gold or that there may be gold in these unproduced
20 documents, then, you know, fine.

21 MR. SHEEHAN: Your Honor, I know you don't want to
22 hear more from me, but I just wanted to add one thing.

23 THE COURT: Yeah. I'm just -- you know --

24 MR. SHEEHAN: No. I don't want to argue. I just
25 want to -- a point of clarification. It's our position that

1 Ms. Chaitman has all of the 1992 tapes, '92 and prior.

2 THE COURT: Pre-'92?

3 MR. SHEEHAN: Yes. At least according to the
4 markings on them and the --

5 THE COURT: Well, you know --

6 MR. SHEEHAN: -- stuff we've found. So --

7 THE COURT: -- if she makes a motion for it, you
8 just give me an affidavit saying they've all been produced.

9 MR. SHEEHAN: All right. Fine, Your Honor.

10 THE COURT: You don't have --

11 MR. SHEEHAN: Fine. Okay. I just want --

12 THE COURT: Because there's no point --

13 MR. SHEEHAN: -- to be clear.

14 THE COURT: -- there's no point in arguing back
15 and forth about that.

16 MR. SHEEHAN: No. I understand.

17 THE COURT: Now with respect to Sage, you may be
18 able to work out something to get the --

19 MR. SHEEHAN: We'll actively try that, Your Honor.

20 THE COURT: -- records that correspond to the
21 trading directions that were being sent over the years.

22 MR. SHEEHAN: Yes, Your Honor.

23 THE COURT: It certainly sounds relevant and --

24 MR. SHEEHAN: No question, Your Honor. And we
25 will do that.

Page 55

1 THE COURT: All right.

2 MR. KRATENSTEIN: Thank you, Your Honor.

3 THE COURT: All right. And give me the order for
4 the second day. Let's complete that deposition and schedule
5 a trial.

6 MR. SHEEHAN: Thank you, Your Honor.

7 THE COURT: All right. Thank you.

8 (Proceedings concluded at 11:09 a.m.)

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Page 56

1 **I N D E X**

2
3 **R U L I N G S**

4

5 **IDENTIFICATION** **PAGE**

6 **N/A**

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

[& - adversary]

Page 1

&	1998	38:14	33:7 35:2 47:22	accommodate
& 4:2,20 5:1,8 22:2 24:23 41:18 57:9	2		45 4:4 6:25 9:7 32:22	39:7
	20	24:16,23 46:11 50:15 51:14	450 52:22 465 4:15	account 36:21 37:7,15,24 43:20 45:21 50:6,8 52:13
0	200	25:24	5	accounts 16:2,3 20:15 30:7,8 43:15 45:3,4
08-01789 1:6 09-01161 1:13 6:23	2000s	35:3	50 26:7 49:5,13	accuracy 50:15
	2004	8:1	50,000 8:22	accurate 57:4
1	2007	45:22	500 16:10	acknowledging
1 27:25 1,200 9:16 1,281 34:2 36:4 39:5 10,000 26:10 10-04946 1:20 10022 4:16 5:11 10036 5:4 10111 4:5 10173 4:23 10:09 2:6 11,700 28:8 11501 57:25 11:09 55:8 12 35:3 13 28:8 147 35:5 14th 21:16 15 28:18 48:21 16 36:15 52:12 168 34:7 17 35:7 43:14,20 178 49:2 183 21:16 19,000 26:20 28:10 1980s 52:22 1982 45:22 1985 43:15,19 1992 18:21 31:3 33:3,5,9,14 52:21 54:1	2008 28:18 201 31:3 2010 23:23 2011 27:25 35:3 2012 27:19 29:11 35:4 2016 7:1 48:1 2017 2:5 16:9 57:12 214 32:21 23rd 6:10 26 2:5 263 32:21 26th 46:11,17 27 57:12 27.9 28:21	600 31:8 35:15,25 39:2 40:1,6,22 41:7 602 32:19 64 49:18	41:20	
	3		7	action 43:25
	3.5	28:21	7007-1 3:4	actively 54:19
	30	22:21 44:14	703 36:21 52:13	actual 7:13 33:12 33:23 52:3
	300	57:24	70s 42:13	add 34:2 40:22 53:22
	302	16:20 17:3,24	7th 6:25 16:9	added 35:7
	302s	20:14	8	adding 40:5
	330	57:23	80s 47:5	addition 49:4
	340	4:22	9	additional 31:3 40:24
	397	3:25 57:9	919 5:10	address 9:4,9 27:4 30:22
	4		92 33:12 35:12 54:1,2 98 30:17	addressed 7:13 43:23
	4,500	39:5,16 41:8	a	addresses 25:16
	4,700	21:12,19 32:18 33:14 36:3 45:10 50:9	a.m. 55:8	adequate 9:4 36:1
	40	32:16	aaert 57:9	adjourned 6:7
	400	20:16 27:17 27:18,18 29:11	ability 13:23	admissible 17:15 18:10 19:20
			able 6:5 15:12 16:14 36:5 39:3 45:15 54:18	admission 19:3 20:10,11 41:22
			absence 44:16	admit 41:25
			absolutely 33:10	admits 36:4
			access 28:5 38:20 44:7,8,8	admitted 42:14
				advance 3:7
				adversaries 19:4 30:21
				adversary 6:21,22 21:11 24:19 31:12

[adversary - burdens]

Page 2

49:17,19	apparently 42:13	attached 7:6 42:8	begged 12:16
advised 6:4	appear 34:1 42:10	attorney 18:18	beginning 36:12
advisors 11:3	50:13	19:2 20:1	behalf 14:8
advisory 22:23	apply 46:2	attorneys 4:3,14	believe 12:12,23
24:12 30:8 38:1	approaching 29:8	4:21 5:2,9 8:25	23:1 30:13 34:15
41:10 43:15 47:13	approximately	15:12	38:19,22 39:1,19
affidavit 54:8	8:22 9:16 28:7	august 6:10 27:25	39:22,23 44:20
afford 24:22,23	45:22	available 9:4	believed 39:23
51:11	approximation	14:17 34:19 35:1	bell 4:10
age 14:14	23:10	44:17	bernard 1:7
agent's 19:22	april 16:12 28:18	avenue 4:15,22	bernstein 2:10
agents 20:7	31:8 34:25	5:10	best 18:8
ago 7:23 12:9 25:3	arbitrator 9:23	b	better 51:13
26:7	areas 16:25 20:14		beyond 43:16
agree 16:21 17:16	argue 53:24		46:1
40:7	arguing 52:7		billion 24:22
agreed 8:20 9:13	54:14		36:15 49:18,19
ahead 13:24	argument 13:20		52:12
ahs 35:19	40:11 48:2 52:5		bills 51:17 52:15
al 1:8,15	arguments 52:8		bits 26:20
alex 25:15 32:11	arps 5:1		blmis 4:3 28:10
alice 27:7	arrangement 8:18		52:2,4
allegation 30:12	9:8		board 7:20
allegations 25:9	arrived 25:14		bond 42:17 52:24
allocated 52:4,5,7	as400s 28:13		bought 45:19,21
allow 19:13 36:3	aside 43:2		47:4
amanda 4:11	asked 18:17,17		bowling 2:2
america 53:6	20:1 22:3 24:12		boxes 9:16 21:12
amount 44:4,6	39:24 40:14		21:20,20 28:8
analysis 10:11	asking 15:8 19:1		45:10 50:9
32:15	48:6		bragging 48:9
andrew 4:25	aspects 52:2		breach 3:25 57:3
41:17	asserted 7:22		57:8
answer 27:3 35:18	assertions 45:8		break 32:2 34:9
40:18	assets 11:20,22		breakdown 45:16
anticipate 40:10	assistance 20:2		bring 12:25
anxious 14:9	assume 51:15		broadly 37:13
anybody 20:8	53:7		broke 33:25 34:7
anyway 10:14	assumed 28:5,17		34:11,13
48:23,24	assumes 46:6		brothers 52:20
apologize 18:5	assuming 18:9		burden 10:11
40:20,21	assure 48:18		burdens 8:11

[bureau - contrary]

Page 3

bureau 28:6 business 7:12 36:17 52:2 buy 36:18 47:6	chaitman 4:13,18 14:7,7,22 15:8,10 15:21 16:4,7,18 17:2,6,10,14,20 17:22 18:1 19:12 20:17,19 21:1,13 21:15,18,25 22:11 22:17 23:9,17,21 23:23,25 24:5,8 24:10,18 25:17 27:20 28:1 29:12 30:11 31:15 33:11 34:7,24 35:1,7,25 36:9,11 38:15 39:2,14,25 40:6 40:21 44:13 47:19 49:10,12,15,17,22 51:1,6,9,11,20,23 51:25 52:8,16 53:2 54:1 chaitman's 29:1 32:4 33:24 36:20 50:2	clearly 17:14 22:17 client 46:23,25 clients 15:13 22:9 42:13 44:4 45:19 45:19 46:8 48:3 50:2 closed 38:1 colleague 6:16 20:7 44:21 colleagues 45:3 column 32:17 come 13:8 14:17 15:19 24:16 31:17 36:1 39:3 40:1 41:1 45:17 50:23 comfortable 22:8 41:6 comment 25:8 communication 11:1 communications 7:7 10:24 11:2,15 12:11 13:4 compact 28:15 compare 36:20 50:7 compel 13:14 18:23 48:2 50:22 53:17 compelling 9:25 competitors 12:1 complained 8:11 complaining 29:23 complaints 25:20 complete 17:11 18:18 48:10,12 55:4 compliance 7:3 complied 39:23 comply 8:7 39:21	promise 9:20 9:21 promises 8:10 8:20 computers 28:13 28:13 53:8 conceded 33:4 53:5 concern 9:5 27:3 concerned 19:7 concerning 7:8 concerns 9:9 21:6 25:16 concluded 55:8 conduct 9:11 conducted 10:25 confer 12:16 conference 3:1,3 3:6 6:21 22:1 conjunction 28:5 connection 11:12 51:18 consensual 7:2 consent 9:23 consideration 24:9 considered 29:12 conspiracy 30:13 contact 38:2 contained 7:23 23:2 containing 28:11 contending 33:8 contention 22:21 context 35:22 continue 15:23 27:2 32:24 continued 14:10 14:20 continuing 35:24 contradict 41:8 contrary 30:22
c 4:1 6:1 46:12,17 c&s 32:9 call 19:22 20:6 22:1 32:12 called 12:5 18:25 32:13 38:16 candid 19:6 39:13 capacity 11:24 24:3 cards 28:16 career 38:17 careful 30:1 38:15 case 1:6,13,20 9:5 13:5 19:7 22:7,22 36:12 41:9 42:5 44:5,12,15,15 49:16,18 cases 10:15,16 21:7 25:11 cash 27:11,11 32:10,21 36:18 37:15,17 43:11,19 52:15 cashing 37:19 categories 34:1 ceretti 6:22 7:19 cert 3:25 57:9 certain 7:3 18:25 25:18 37:12 47:7 certainly 11:3 24:22 38:13 42:6 44:5 51:11 54:23 certificate 57:1 certified 57:9 certify 57:3 cetera 27:10 32:15 34:10 35:14 44:3	chaitman 4:13,18 14:7,7,22 15:8,10 15:21 16:4,7,18 17:2,6,10,14,20 17:22 18:1 19:12 20:17,19 21:1,13 21:15,18,25 22:11 22:17 23:9,17,21 23:23,25 24:5,8 24:10,18 25:17 27:20 28:1 29:12 30:11 31:15 33:11 34:7,24 35:1,7,25 36:9,11 38:15 39:2,14,25 40:6 40:21 44:13 47:19 49:10,12,15,17,22 51:1,6,9,11,20,23 51:25 52:8,16 53:2 54:1 chaitman's 29:1 32:4 33:24 36:20 50:2	clearly 17:14 22:17 client 46:23,25 clients 15:13 22:9 42:13 44:4 45:19 45:19 46:8 48:3 50:2 closed 38:1 colleague 6:16 20:7 44:21 colleagues 45:3 column 32:17 come 13:8 14:17 15:19 24:16 31:17 36:1 39:3 40:1 41:1 45:17 50:23 comfortable 22:8 41:6 comment 25:8 communication 11:1 communications 7:7 10:24 11:2,15 12:11 13:4 compact 28:15 compare 36:20 50:7 compel 13:14 18:23 48:2 50:22 53:17 compelling 9:25 competitors 12:1 complained 8:11 complaining 29:23 complaints 25:20 complete 17:11 18:18 48:10,12 55:4 compliance 7:3 complied 39:23 comply 8:7 39:21	promise 9:20 9:21 promises 8:10 8:20 computers 28:13 28:13 53:8 conceded 33:4 53:5 concern 9:5 27:3 concerned 19:7 concerning 7:8 concerns 9:9 21:6 25:16 concluded 55:8 conduct 9:11 conducted 10:25 confer 12:16 conference 3:1,3 3:6 6:21 22:1 conjunction 28:5 connection 11:12 51:18 consensual 7:2 consent 9:23 consideration 24:9 considered 29:12 conspiracy 30:13 contact 38:2 contained 7:23 23:2 containing 28:11 contending 33:8 contention 22:21 context 35:22 continue 15:23 27:2 32:24 continued 14:10 14:20 continuing 35:24 contradict 41:8 contrary 30:22

[control - discovery]

Page 4

control 8:15	23:14,16,20,22,24	databases 28:21	denying 7:14
controversy 44:4	24:4,6,9,17,25	date 6:8 14:9	department 17:13
44:6	25:25 26:4,7,12	30:20 31:5 38:15	depend 47:4
convertible 52:23	26:16,24 27:1	57:12	deposition 3:1
convince 19:5	32:1,9 33:8 38:7	dated 46:11	14:4,10,11,14,20
50:10 53:18	38:10,20 41:13,15	dates 51:16	15:19,22,23,24
copies 49:11	45:10,13 46:8,14	david 4:9 6:3 14:7	16:6 17:22 55:4
copy 9:15 19:14	46:16,21,23 47:9	davinski 22:20	designation 32:11
31:13 39:11 51:8	47:12,16,18 48:8	davis 4:18	desktop 28:12
51:10,12	49:7,11,14,16,21	day 3:1 14:4 15:2	determine 27:11
corporation 1:5	49:25 51:5,8,10	15:6,16,23,24	determined 7:3
correct 15:21	51:13,21,24 52:1	24:11 50:5 55:4	53:13
25:18 51:25	52:14 53:1,16,23	deal 13:25 15:4	difference 24:6
correlation 37:2,3	54:2,5,7,10,12,14	21:4 50:4,21	different 8:3,4
correspond 51:16	54:17,20,23 55:1	deals 36:18	10:19 21:11 27:6
54:20	55:3,7	dealt 21:11	42:16 47:12 50:2
corresponding	crank 26:9	debtors 1:9	52:8
50:5 52:6	created 31:5	decade 7:18	difficult 43:6
corrupt 20:4	creating 27:7	decide 27:10 45:1	digital 26:15
cost 8:25 13:7,22	credence 45:1	decided 18:19	digitally 35:13
25:23 50:19,19	credit 48:4	decision 22:9	digitize 50:16
costs 8:15,24 9:2	criminal 19:9	deeply 25:4	51:7
counsel 12:17	20:3	defendant 7:17,20	digitized 26:14
country 57:23	cross 53:18	28:2	39:17 49:8
counts 44:22	curious 43:17	defendants 1:16	diligence 10:25
couple 13:1	custody 53:10	1:22 4:14,21 7:10	11:8,12 12:11
course 10:12 12:9	customer 24:12	14:8 15:18 41:18	dime 23:8
12:15 25:19 41:9	30:7 32:10,21	44:17	directed 18:21
47:24 48:11	38:4 47:10,13	defense 42:24	43:1
court 1:1 2:1 6:2,6	52:6,18	43:1	direction 47:8
6:8,10,12,14,18	customers 22:23	define 44:19	directions 54:21
6:20 7:13 10:2,4,8	36:19 51:17 52:4	deliver 41:20	directly 11:24
10:19,22,24 11:10	52:24 53:13	delivered 37:12	12:5,10 34:20
13:13 14:4,6,19	d	38:3,23 41:25	35:1
14:24 15:2,6,9,14	d 3:25 6:1 56:1	42:12	directors 7:20
15:22 16:5,17,19	57:9	delve 25:4	disagree 37:9 38:5
16:23 17:4,7,12	data 21:16 22:19	demonstrate 40:2	disavows 40:15
17:16,21,25 18:3	23:2 26:21 27:18	demonstrated	disclosed 36:14
18:6,8,22 19:5,16	27:19 28:17 29:13	40:12	disclosure 27:25
19:19,22 20:8,11	33:21 34:25 35:1	demonstratives	disclosures 27:23
20:13,18,20,22	36:1 40:24 44:7	31:13	discover 14:15
21:2,4,17,19,24	47:21,23,23,25	denied 20:2	discovery 3:3 6:21
22:10,16 23:4,10	48:9,10,11		8:14 9:23 13:15

[discovery - fein]

Page 5

14:20 15:4 21:4,6 26:19 28:23,24 35:22 44:11 50:23 53:17 discretion 47:14 discs 28:15,15 discussed 44:10 dishonest 49:24 dismiss 7:14 dismissal 24:19 dispute 6:21 23:5 37:13 disregard 44:25 distinction 38:24 district 1:2 document 6:25 17:15 18:9,12,18 19:4,19 22:3 23:19 27:8 29:13 49:1,7 documents 7:8,23 8:12,16,18,22,23 9:15,16,19,25 12:18 13:9,16 14:12,15 16:10 20:17 22:12,18,18 23:3 24:1,2,13,14 24:15,20 25:20 28:22 33:15 34:15 35:6,8 42:9 45:8 45:10 46:1 47:22 48:16,21 49:5,9,9 49:13 53:12,15,20 doing 10:11 26:10 32:4 dollars 24:22 30:10 49:18 don't 37:11 doubt 46:1 49:12 dozen 47:3 drives 28:13 dtcc 37:22,24 38:5 38:10,11,16 45:5	dubious 50:14 due 10:25 11:8,12 12:11 dummy 45:4 dump 29:13 e e 2:9,9 4:1,1,7,11 6:1,1 13:1 22:19 23:2 26:19 47:21 47:23,25 48:9,10 48:11 56:1 earlier 31:4 34:23 35:12 early 19:25 35:2 36:12 47:5 easiest 25:22 easy 39:9 ecro 2:13 effectively 11:20 11:25 effort 34:18 efforts 37:18 eight 7:5,23 48:13 49:20 either 37:3,14 38:11 electronic 8:12,22 28:20 57:9 electronically 28:11 element 7:12 eliminated 8:11 eluded 44:13 emery 4:20 emory 41:18 engaged 52:3 enormous 48:15 entered 29:16 entire 23:2 45:24 entirely 9:3 entirety 19:13 35:15	entitled 22:17 24:20 37:10 49:6 entries 52:6 esi 28:11,20 especially 39:20 esq 4:7,8,9,10,11 4:18,25 5:6,13 essentially 11:22 12:16 23:12 50:19 established 53:11 estate 20:11 estates 19:8 estimates 8:24 et 1:8,15 27:10 32:15 34:10 35:14 44:3 evening 6:5 event 11:23 38:25 everybody 15:19 evidence 30:5,5 42:3,18 44:15,16 44:18 46:3,4,5,12 48:13 49:6 evidentiary 46:2 exactly 10:23 25:22 examine 19:5 examining 16:22 example 25:13 43:11 50:15 exception 16:7 exchange 8:14 exclusive 36:10 exercise 33:3 34:18 exhibit 7:6 21:22 46:12,17 exhibits 36:20 exist 24:15 43:16 existed 12:7 existence 23:21 existing 21:8	expedition 13:12 13:17 expense 9:20 39:5 40:3 48:24 expert 44:14 explain 12:17 28:8 33:19 exploring 25:15 exposure 48:3 expressed 25:17 extensive 47:21 extent 25:18 extraordinary 13:7 f f 2:9 face 13:2 fact 11:18 23:1 25:10 27:13 30:7 31:4 36:15 37:4 41:20 42:19 43:1 44:23 45:1 46:10 53:14 factor 10:12 factors 10:12 43:23 facts 22:24 30:15 factual 3:6 13:21 13:22 24:11 failure 39:21 fair 23:10 faith 7:1 fake 45:3 family 37:13 far 19:7 fbi 17:19 20:2 28:7 federal 28:6 feeder 11:23 feel 22:8,12 fees 24:22 fein 4:11
---	--	--	---

[felt - honor]

Page 6

felt 18:20	forward 44:14	go 10:13 13:24	hands 49:22
fidelity 52:19	found 30:4,5	18:24 19:2,13	happened 12:25
figure 43:4	35:11 36:2 37:12	22:12 23:7 26:18	28:24 29:6 37:2
filed 6:6 24:15	37:14 38:17 42:7	27:21 29:4,14	37:14,21 44:2
25:20	43:14 47:3 52:22	32:25,25 39:16	45:24
filings 18:25	54:6	40:6,7,8,17 48:25	happens 25:13
film 26:8	founded 25:10	51:3	27:5 29:22
films 26:4	founder 7:18	goes 34:22	happy 20:6 32:5
financial 24:6	four 5:3 7:5	going 10:14 13:14	40:17,17
49:23	frank 40:19	13:19,20,21 16:5	hard 9:15 21:25
find 18:1 27:6	fraud 44:2	17:8,17 19:3 23:5	28:13
29:19 30:15,15	frequently 46:23	24:19 25:21 29:20	hardvac 36:13
32:12 36:22	friend 30:10	35:23 37:7,22	harken 25:2
finder 44:23 45:1	front 29:22	38:4,13 39:7	health 14:13
53:14	fti 25:16	40:16 41:10 45:17	hear 24:25 41:24
finding 42:11	full 19:4	48:22,24 49:1,1,7	53:22
fine 16:17 39:25	fund 1:14 11:23	49:22 50:9,11,19	heard 23:13 36:8
40:4 53:20 54:9	fundamental 23:1	50:23,25 51:6,7	40:23 41:14,22,23
54:11	funded 24:21	51:16 53:13	52:2
finish 29:21	funds 7:9,11,14	gold 53:19,19	hearing 21:7,9
first 6:2,14 18:9	11:24	goldenberg 1:21	29:6 42:9 44:21
27:7 31:21 41:21	funnel 25:6 29:7	6:2	hears 30:25
41:22 48:19 49:16	further 8:12,21	good 6:19 7:1	heavily 17:3,23
fishing 13:12,17	19:9 40:3,10	10:3,4 15:5 34:14	heck 39:15
five 17:8 31:20	g	41:17 49:6	held 42:14 45:19
flat 30:5	g 6:1 56:3	gotten 53:2,14	45:21 52:17,17
flom 5:1	gain 35:23 40:16	government's	53:9
floor 6:18	general 20:14	19:7	helen 4:18 14:7
floppy 28:15	generated 53:8	great 17:23	help 42:4,23
focus 27:12 33:3	geraldine 4:7 6:16	green 2:2	hiding 48:13
33:24	give 25:7 27:7	grossos 7:19	high 44:6
focused 27:17	31:14 33:13 37:15	group 4:14 6:24	hire 25:15
focusing 52:21	39:8,12 45:1 46:7	14:8	history 19:25 23:4
follow 15:15	46:23 48:14 51:2	guarded 12:2	25:5,12 29:20
20:14	51:6 54:8 55:3	guess 13:18 16:2	39:21
foot 48:5	given 14:13 30:16	18:8 39:9	hits 12:23
force 50:10	35:25 38:14 40:24	guys 18:13	hold 14:10 47:6
foregoing 57:3	40:25 44:9 48:4	h	holding 41:5
form 17:15 19:19	giving 39:4,14	h 1:11,18	holdings 6:25
format 39:17	46:8	half 24:14 47:3	hon 2:10
48:23	global 1:14 7:18	hand 28:7,7 31:13	honor 6:3,11,15
forth 10:6 54:15	global's 7:20	32:8 35:23	6:19 10:3 12:4

[honor - kratenstein]

Page 7

16:8,16 17:10 18:4,16 19:1,6 20:21 21:3 23:12 25:2,13 27:2,8,24 30:13,20,23 31:11 31:14,25 32:16,23 36:1,2 37:8,11 39:3,8,19 41:1,6 41:12,14,16,17 43:25 45:9 47:15 51:1 53:4,21 54:9 54:19,22,24 55:2 55:6 honor's 27:3 35:18 hope 29:25 hostetler 4:2 22:2 24:23 house 41:11 43:14 43:20 huh 22:10 hundred 13:15 hundreds 26:21 28:2 hutmaker 44:21	include 28:12 included 38:14 53:3 including 7:12 34:15 42:16,17 incomplete 43:18 incorporation 38:17 incumbent 44:17 incur 40:3 indicated 15:11 indiscernible 11:23 22:2 25:5 36:15,19,22 37:1 45:21 indisputable 7:16 30:16 individual 15:11 information 7:11 7:17 8:8,14 12:3,5 21:8,8 28:11 36:5 36:10 39:2,4 initial 27:23,25 innocuous 13:3 inquiry 33:24 insists 9:11 instructing 47:10 instructions 42:21 46:9,12,24 47:1,4 47:6 50:3 intended 15:24 intends 9:24 interest 29:3 52:15 interested 12:2 34:16 41:24 interesting 34:2 43:2,13 interrupt 23:15 interrupting 18:5 introduced 7:19 invest 11:24	investigated 11:19 investigation 8:2 20:5 28:6 investment 1:7 24:12 30:8 38:1 41:10 43:15 47:13 investments 11:3 11:21 investor 1:4 investors 22:23 involved 13:8 16:1 53:18 involves 44:5 49:18 involving 17:12 iron 39:10 irrelevant 10:14 50:24 irving 1:11,18 issue 9:9 10:8,16 10:17 14:20 15:4 15:6 16:19 17:12 18:21 20:9 21:12 50:4,20,20,25 52:21 issued 8:1 issues 13:5 43:24 44:11 53:17 i'm 28:1	june 6:25 46:11 46:17 justice 17:13 justify 39:5
		k	kelley 20:7 key 7:8 kind 12:3 30:3 32:18,20 kinds 12:17 kingate 1:14 6:12 7:9,18,20 10:20 11:2,12,15,19,20 11:21,25 13:5,10 kingate's 11:16 knew 12:2 know 10:17,20 11:4 12:19 15:16 16:2 17:4,17 18:8 18:11,11,13,13,21 19:8,11,14,25 20:7 21:6 22:13 22:25 23:4 24:18 25:23 26:20,22 27:20,22,23 29:5 29:20 31:1 32:12 33:7,14,22 34:24 35:20 36:25 39:13 39:17,20 40:16 42:5 43:3,22 45:12 48:12,16 49:2,7 53:11,20 53:21,23 54:5
		j	knowledge 7:13 11:16 16:2 40:11 40:13,15 47:21 knowledgeable 22:7 known 36:11 knows 25:13 43:25 kratenstein 4:25 20:21 31:14 37:9

[kratenstein - mistake]

Page 8

40:22 41:14,16,17 45:11,14 46:10,15 46:17,20,22,25 47:11,15,17 55:2 kwon 5:13	liquidate 42:21 liquidated 37:16 42:1,20 45:6 46:6 list 8:21 13:9 21:13 43:12 51:14 listing 20:23 literally 12:9 litigated 10:15 little 10:19 21:7 37:7 48:17 lives 22:11 llc 1:8 llp 4:2,13,20 5:1,8 local 3:3 location 9:19 locations 27:7 long 12:15 16:6 19:25 34:9 35:17 45:23 longest 29:12 look 13:6,16 18:15 19:3 21:13 22:13 23:7,25 25:16,17 26:24 27:11 29:14 31:2 31:3,9 32:19 33:20 34:3 35:13 35:24 36:2,3,5 40:1 46:11 49:25 50:17,24 51:13,15 51:16 looked 25:19,20 26:9 30:18 31:7 36:2 39:17 47:23 47:25 49:9 looking 25:5 30:11,24 34:16 46:21 looks 13:17 37:23 loss 32:13 lot 25:23 33:21 35:19 39:4 40:24 48:3 53:17	love 42:3,5,21 m m 2:10 5:6 machine 26:8 madison 4:22 madoff 1:7 3:1 7:19 10:17,22,25 11:9,16,16,23,24 12:1,12 14:4,16 16:13 18:12,12 20:8 22:22 33:4 34:8 37:10,15 38:20 40:7,11,19 41:21,25 42:1,12 44:2 45:1 46:9,24 47:1 52:13 53:9 madoff's 14:9,13 31:4 38:23 42:10 42:15,19 52:10 magistrate 16:9 22:14 mails 13:1 main 27:12 majority 22:15 29:2 making 22:9 37:3 37:25 38:6 manageable 48:20 49:3 management 7:9 32:14 manager 7:17 11:18,20 manner 13:25 manzke 7:19 market 37:25 38:6 markings 54:4 marshall 4:8 6:15 massive 14:11 48:15 match 52:9	materials 28:19 matter 6:2,7,12 42:23 mattera 4:8 6:15 6:15,19 14:3 maturity 52:17 mbna 42:17 mcdermott 4:20 41:18 meagher 5:1 mean 10:11 13:13 16:15 17:5 19:16 25:18 26:12 37:5 48:20 means 26:2 35:19 mechanism 11:22 media 26:20 28:10 meet 12:16 memory 28:16 mere 37:4 42:25 met 47:1 michael 5:13 microfiche 28:14 microfilm 16:10 25:21 28:14 31:2 34:5 42:12 48:14 48:19 49:2 51:2,7 microfilms 33:21 million 22:21 24:16,23 28:21 44:14 48:21 49:5 49:13 millions 30:10,10 mind 7:12 mineola 57:25 minimum 40:14 minions 26:10 minute 21:5 28:8 41:2 minutes 17:8 mistake 40:20
1 1 1:7 3:25 56:3 57:3,8 label 48:17 labeled 22:6 labeling 50:14 lack 13:6,7 lacks 8:6 laptop 28:13 large 4:14 14:8 44:1 late 6:4 42:13 lawyer 22:8 49:8 lawyers 11:7 12:6 25:17,19 leads 25:8 learned 23:19 leaves 18:14 led 23:1 ledger 32:11,21 left 32:8 legal 24:22 57:22 legitimate 53:6 legwork 37:8 lehman 52:19 length 17:23 letter 6:14,20 7:6 10:6 18:25 22:4 29:24,25 36:13 42:9 46:10,18 letters 47:2 library 26:8 life 44:5 lifetime 26:22 light 39:20 limited 28:12 linked 53:8			

[moment - pick]

Page 9

moment 25:3,7	never 18:12 22:22	officer 7:21	pages 34:6,7
money 10:13	25:19 41:23 45:5	official 18:10	48:21 49:5,13
25:24 35:19,24	nevertheless 8:9	oh 10:10 21:20	paid 49:18
36:17 52:13,16	new 1:2 2:3,3 4:5	33:10 46:16	paper 28:10,19
morgan 52:20	4:16,16,23,23 5:4	okay 11:10 14:1	parameters 12:8
morning 6:19	5:4,11,11 14:12	15:2 16:18 17:14	park 4:15
10:3,4 41:17	14:15	19:21 20:13 21:1	part 11:4 23:12
43:10 45:17,18	night 23:19	21:2,18,24,25	39:21
moss 21:11 29:23	non 6:24	23:9,16,17,20,22	particular 37:7
30:25 34:23 39:20	normally 25:11	24:17 26:2 31:23	particularly
39:23	north 53:6	32:7 34:25 39:25	13:21
moss's 16:9 22:14	note 42:24	41:13 45:22 49:15	parties 5:9
39:22	notwithstanding	49:21 54:11	party 6:24 30:6
motion 7:14 13:14	30:12,21	old 57:23	44:24
13:19,24 40:19,22	number 20:16	once 47:1	pause 6:13 14:5
41:1 48:2 50:1,12	21:20 36:20 38:12	ones 33:17 34:1	31:24 46:13,19
50:22 53:16 54:7	48:22 49:2	34:10,12,16 38:13	pay 13:18 23:5
motions 3:7	numbers 7:4	onus 41:1	24:1,23 35:20
mountain 39:10	numerous 8:10	open 34:9	50:18,24 51:5
move 9:24	ny 4:5 57:25	opened 37:15	pays 8:23
murphy 6:4		operate 27:22	pdas 28:15
n		operation 7:9	pending 20:3
o		opportunity	40:19
n 4:1 6:1 56:1,3,6	o 2:9 6:1	16:12,13 40:9	people 15:25
name 11:12	object 37:11	45:7	17:17 20:15 22:2
narrow 8:12,13	objected 8:6 35:7	opposed 10:9	25:15 28:3 29:3
8:17 45:16	objection 14:25	order 7:13 9:25	31:4
narrowed 8:21	16:16 35:6	16:9 20:23 22:14	percentages 34:11
narrowing 25:6	objectionable	39:22 55:3	period 29:12
national 38:16	18:1	orderly 29:17	42:15 45:23,24
42:16 53:6,7	obtain 7:3	orders 9:5 29:16	permission 14:18
ncss 38:17,22,23	obviously 18:11	29:17 39:22	permit 30:23
53:5	18:17 22:13 43:2	ought 50:4	persists 7:15
necessary 24:24	44:1 53:13	outlandish 30:12	perspective 15:10
need 13:20,22	occur 46:3,5	outset 8:1	35:9
22:12 31:19 41:3	occurred 19:24	outside 22:5,6	ph 22:20 36:13
45:7,23	42:25 43:3 45:6	38:2	44:21
negotiate 9:8 38:3	odd 52:22	oversight 11:21	physical 9:19
38:9	offered 8:15,20	ownership 52:24	picard 1:11,18
negotiating 12:6	9:8,13,18		6:22 22:25
negotiation 50:12	offering 9:21	p	picard's 11:7 12:6
network 28:14	office 29:1 38:21	p 4:1,1 6:1	pick 29:15 50:15
nevel 15:15	38:23 40:13	page 33:1,2 34:4	51:14
		34:12 56:5	

[picower - really]

Page 10

picower 5:9 20:23	predecessor 38:16	producing 32:20	purpose 15:19
pie 34:4 35:16	predicated 27:12	product 27:9	19:7
43:9	31:4	production 8:24	pursuant 3:3 16:8
pig 39:15	preponderance	9:1 11:5 18:23	22:14
place 11:22 25:11	46:3	21:12 43:18	put 26:8,19 31:5
30:7 33:12,23	present 17:15	productions 7:22	35:2 39:17 40:21
35:22 38:8	preserved 28:17	7:25 8:2 14:16	40:25 43:2 47:22
plaintiff 1:12,19	preset 30:12	profit 32:13	48:22
13:8	previously 15:11	profits 48:4	puts 44:14
players 7:8	print 38:21	proportionality	putting 39:6 40:3
plaza 4:4	printed 38:22	35:19,22 43:22	52:15
pmr 32:13,14	53:9	proposals 9:2	q
point 19:6 24:19	printer 38:21	propose 21:14	question 16:13,14
27:12 30:14 34:25	prior 9:1 11:4	23:24	18:17 19:1 35:18
39:15 41:4 48:2	33:11 39:22 48:4	proposed 7:24 8:4	36:18 37:10 54:24
48:13 53:25 54:12	54:1	8:10,12,13 9:12	questioning 14:16
54:14	prison 15:20	9:22	17:9
poke 39:15	privilege 9:1,3	proposing 14:19	questions 15:12
ponto 4:7 6:17	probably 26:20	proprietary 37:25	15:16,25 16:1
ponzi 27:16 36:17	48:20 49:14	prosecutions 19:9	20:14 22:3 43:20
portfolio 32:13	problem 21:15	20:3	quickly 43:23
portion 53:3	procedure 14:25	protection 1:4	quite 43:25
portions 18:20	18:22,24	protections 9:4,6	quoting 28:4
pose 15:12	proceeding 6:22	protective 9:5	r
position 23:11	6:23 7:10,24 8:5	29:17	r 2:9 4:1 6:1 56:3
24:11 33:17 34:5	21:11 24:20	protestations	raising 11:20
47:13 50:2 51:4	proceedings 55:8	30:22	ran 11:24 35:5,8
53:25	57:4	proud 48:9	random 34:17
positions 32:20	process 29:17	prove 30:18 45:3	rca 42:17
34:9 42:20 47:7	33:2 51:3	46:1 49:24 53:12	reach 6:5 7:1
possession 28:5	processed 32:3,6	proved 24:13	read 19:12,12,13
28:18	32:17,18,19 33:1	proves 30:21	21:10 26:22 27:24
possible 42:22	34:13 35:12	provide 20:23	readable 48:23
45:15	produce 8:16,23	provided 8:7	readily 33:18
post 33:14 43:19	9:25 13:16 23:6	22:20 23:18	real 19:6 40:15
52:21	26:20 29:15 50:5	provision 9:7	44:16 53:12
posted 22:19	produced 8:3 11:1	provisions 9:6	reality 11:17
potential 13:7	11:13,13 12:7,14	public 44:1	realize 19:1 24:15
potentially 9:17	16:10,12 22:14	pull 21:14	28:1,6 48:11
20:4	33:7 35:5 38:10	purchased 22:22	52:12
practical 14:10	38:12,25 43:5,7	24:12 27:15 36:16	really 22:12 25:15
pre 21:8 54:2	43:14 45:15 48:8	36:21 37:5,6	44:16 48:16 50:24
	49:20 52:23 54:8	52:13	51:19

[reason - scheme]

Page 11

reason 12:12,23 18:17,25 19:10 29:6 40:2 reasons 18:19 43:18 44:12 recall 16:8 48:1 recognize 40:24 record 13:21,22 30:18 32:21 33:17 34:5 36:4 38:22 40:10 44:20,22 57:4 records 27:14,14 28:10 29:24,24 30:1,2,16 31:1 33:11 34:10,19,21 37:23 38:6,10,18 38:25 40:14 42:10 42:15,19 43:5,6 43:11,13 45:2,2,5 45:14,24 48:6 50:5,7 54:20 redacted 17:3,6 17:24 reel 48:18 49:2,3 reels 16:10 20:16 25:22 34:5 47:22 47:23,24 48:15,19 50:16 51:15,15,16 52:23 reference 34:23 38:14 referred 36:14 refused 9:23 29:12 refuses 8:23 refute 47:20 regard 36:24 regarding 3:6 6:21 13:22 15:16 regardless 42:25 regularly 47:3	rejected 8:19 9:20 30:14 relate 33:22 related 8:14 relating 11:3,8,15 12:11 relationships 7:12 relevance 7:15 10:9,10 13:6,7 50:20 relevant 7:16 9:17 11:4 12:11,13,19 12:24 20:9 50:17 50:17 54:23 relying 22:8 remaining 9:9 remember 15:14 48:7 49:7 remembered 19:23 report 17:11 18:10 32:8 reporter 57:9 reports 16:20 32:7,14 33:1,18 43:20 represent 19:11 24:2 33:14 34:3 representations 49:19 representative 13:1 32:24 34:14 35:16 50:15 51:14 represented 41:9 48:7 representing 15:18 41:8 represents 21:22 31:6 34:6 request 6:7 requesting 6:20 requests 7:4,4,7 8:3 9:12,18 10:1	require 14:16 37:7 51:2 requires 30:1 research 35:24 resolution 7:2 resolve 42:4 resolved 9:22 resolving 44:11 resources 8:7 10:7 10:8,12 43:24 44:10 respect 28:19 50:9 52:9 54:17 respectfully 6:7 19:2 36:6 respond 34:19 41:4 response 7:25 8:2 8:19 12:20 responsive 7:16 7:23 8:16 9:17,25 responsiveness 9:1,10 rest 41:3 restore 25:24,25 26:12,14 result 29:19 resulting 8:21 reversing 25:5 review 8:17,25 9:10,14,18 14:11 43:12 reviews 49:8 right 10:21 14:22 15:3 16:17,23 19:18 20:12,13,18 20:22,25 22:16 24:20,25 26:6,15 27:4,17 29:10 30:4,5,24 31:2,10 32:5,8 33:13,15 35:8,23 36:7,23 37:3,14,17,20,22	39:3,14 41:4 45:20 47:12,16 49:25 53:1 54:9 55:1,3,7 road 57:23 rockefeller 4:4 role 11:21 roll 26:8 room 22:19 23:2 27:18,19 34:25 35:1 36:14 47:21 47:23,24,25 48:9 48:10,11 roth 5:8 rule 3:3 6:25 8:1 9:7 27:23 rules 27:22 ruling 18:11 run 8:21 s s 4:1 6:1 56:3 sage 4:21 41:18 50:1 54:17 sages 41:20,25 42:20 43:1 45:21 47:8,9 sample 32:24 34:14 35:16 50:17 51:14 sandra 7:19 sat 28:25 29:9 satisfactory 48:18 savings 44:5 saw 17:4,21 saying 24:16 35:17,18,21 49:6 54:8 says 18:12 27:20 28:4 30:25 34:4 40:6 41:2 44:14 schedule 55:4 scheme 27:16 36:17 42:2
--	--	---	--

[schulte - submission]

Page 12

schulte 5:8	set 10:6 14:9,11	shows 34:13 37:11	stacey 4:10
schwartz 5:6 10:3	18:9	50:6	stake 43:24
10:5,5,10,21,23	seth 5:6 10:5	side 32:8 41:11	stamped 48:25
11:6,11 14:2	settled 19:8	44:1	standard 46:2
scope 44:2	seven 7:5 24:14	significantly	stanley 52:20
screen 49:2	shadow 46:1	22:11	start 25:6,14
search 7:23 8:3,4	sharing 12:3	simply 22:8 50:10	28:23,24 33:5,9
8:13,17,21 9:13	sheehan 4:9 6:3,3	sipc 24:2,23 30:13	41:19
11:19 12:8,20	6:9,11 15:1,5	sit 26:18,22	started 32:4 37:17
25:21 26:19 31:9	16:16,21,25 17:20	six 33:7	42:2
35:5,7,10,14	18:4,7,16,24	skadden 5:1	state 7:11 26:14
searchable 26:15	19:18,21,24 20:10	slate 5:1	stated 9:15
48:23 49:4	20:12,25 21:3,22	slight 50:1	statement 30:4
searched 29:10	23:11,12,15 25:1	sliver 53:14	34:20
35:9	25:2 26:2,6,10,13	small 50:15 51:14	statements 47:10
searches 10:7	26:17,25 27:2	53:2	50:7,8 51:17 52:6
12:22 13:2	31:17,19,22,25	smb 1:6,13,20	52:18,25 53:5,7
second 55:4	32:2,10 33:10	6:23	states 1:1
securities 1:4,8	38:8,12 41:19	solutions 57:22	status 3:6
22:22 27:15 32:10	45:2 46:5 47:20	somebody 39:10	sterns 52:19
32:21 38:17 42:17	52:12 53:5,21,24	soon 42:22	stipulation 3:6 6:5
43:11,19 45:20,22	54:3,6,9,11,13,16	sooner 40:8 42:6	stock 32:20 33:17
45:25 47:5 52:25	54:19,22,24 55:6	sorry 18:6,7 45:14	34:5,9 36:4 37:16
security 24:11	sherri 3:25 57:3,8	46:14	41:20,25 42:1
see 13:3 19:6,10	shifting 13:22	sort 29:6	45:5,6
21:14 31:2 32:6	50:20 53:18	sound 16:3	stocks 37:12,21
32:16,17,19,19,25	shop 12:1	sounds 15:5 16:23	38:3 42:12,14,17
33:6,16 34:4 42:3	short 50:22	17:8 54:23	46:6
42:6,22 45:7,24	shortly 6:6	sources 28:10	stood 15:15
51:18	show 29:5 30:3	30:6	storage 28:14
seeing 27:8	31:11 33:2,12	southern 1:2	stored 28:11,20
seek 7:7 14:18	37:6,20,20,22	spans 25:6	strategy 47:6
seen 12:18 22:3	38:4,5,6 42:1,4,10	speaker 31:16,18	streamline 42:23
33:19 42:3,8 43:9	42:11,22 45:4	31:20,23	strike 48:5
45:11,16	46:7 47:10 50:16	specific 7:8 8:5	stuart 2:10
sell 38:3	50:18 52:23 53:16	13:9 15:12,25	study 43:10
sense 11:14	showed 52:18,25	16:1 20:15 50:3	stuff 10:13 23:6
sent 54:21	53:3	specifically 12:17	29:15 32:18 39:11
separate 14:19	showing 35:16	spend 35:24	54:6
38:1	42:11,18 46:4,5	spent 30:11	subject 8:18
separately 15:4	50:11	spread 29:2	submission 36:9
served 6:24 7:20	shown 30:20	square 5:3	53:4
14:23	35:15		

[submit - trustee]

Page 13

submit 36:6 40:10	tapes 21:23,24	think 10:25 12:18	track 9:12
subpoena 6:25 7:4	25:12 27:6,11,17	13:9 14:14 15:14	trades 40:13
7:5 8:1,7	27:18,18 28:15	16:19,25 22:17	42:25 43:3 45:5
substantially 7:14	29:11 31:8 34:8	24:21 25:7,8 27:2	46:4 47:9
substantiate 8:8	35:2,11,15 39:6,9	29:24 35:24 36:13	trading 29:24,24
30:6	39:11,16 40:4	38:23 39:13,20	30:1,2,3,7,17 31:1
suggest 40:5,18	41:3 54:1	40:18,18,19,25	32:21 33:12,17,23
50:13,21 51:1	task 27:7	41:3 43:13,18	34:5,20 37:19
suggested 39:8,24	technical 8:14	44:12 45:7 50:1,3	41:10 43:1 44:16
suggesting 33:11	technology 26:1	51:13	44:20,22 46:8,24
suggestion 51:13	ted 48:7	third 5:10 30:6	46:25 47:3,14
suit 24:15	tell 13:14 24:13	44:24	50:5,7 51:18
suite 57:24	31:9 41:6	thoroughly 35:9	52:24 53:12 54:21
summary 3:7	telling 35:12	thought 15:24	transactions 52:3
33:18	40:12	21:12 33:6	transcribed 3:25
supported 52:24	ten 7:21 27:13	thought's 19:24	transcriber 57:9
suppose 17:18	terabytes 26:21	thousands 12:22	transcript 57:4
19:22 20:9 50:20	28:21	12:22 28:2 30:9,9	treasuries 36:10
supposed 29:3	term 30:1 37:13	three 16:24,25	36:11,16,19,21
supposedly 50:6	50:22 52:17	20:13 22:1 27:6	37:4 52:10,11
sure 13:4 31:20	terms 7:24 8:3,4	33:21	treasury 51:17,18
41:15 48:7	8:13,17,21 9:12	tied 14:21 49:23	52:9,15
suspicious 50:14	9:13 12:20 26:19	time 14:21 21:7,8	tremont 5:2 6:24
50:14	35:5,7,10,14 44:7	23:8,17 26:5	7:15,16,17,21,22
switched 45:20	terribly 16:5	29:12,23 35:6	8:6,11,15,16,19
system 38:2	test 45:8	36:21 39:8 40:12	8:20,22 9:4,10,20
t		41:21,22 42:15,21	9:23,25 10:5,6,15
tab 46:14	tested 22:23	45:23,24 47:4,7	10:17 11:2,15,17
take 14:12,14	testified 52:11,13	47:19	11:22,25 12:10
36:19 43:23 47:19	testify 20:8	times 5:3	13:10
taken 24:11 34:23	testimony 52:10	today 6:7,20	tremont's 7:7,18
takes 25:11 35:22	thank 6:11 10:2	12:25 29:19 35:17	9:15 11:8
talented 25:15	14:2,3 21:3 31:25	38:20 39:19,25	trial 20:5 48:25
talk 12:1 13:11	32:1 41:12,16	40:18,23	55:5
15:2 40:7	45:9 47:17 55:2,6	told 18:13 20:9	tried 32:2
talked 15:17	55:7	22:5	trouble 19:3
25:14	thankng 41:19	tons 43:6,6	true 36:24 57:4
talking 21:20	theory 11:14	topics 3:1 14:4	truly 12:13
26:21 30:11 43:11	thing 17:2 21:25	15:3,7,16 20:14	trustee 1:11,18
48:15,20 49:5	25:23 33:16 36:24	20:24	4:3 6:4,16,24 7:1
51:17,19	43:8 53:22	totaling 28:21	7:24 8:4,10,12,13
tape 22:6 31:5	things 11:6 13:23	totally 10:14	8:15,17,23 9:7,12
	19:15 29:1 31:8		9:13,18,22,24
	32:20 36:8 41:23		

[trustee - zealously]

Page 14

14:23,24 16:8 20:1 23:6,6 24:10 24:21 25:9 28:4 34:18 35:19 36:4 38:11 40:3 41:2 42:18 44:7,14,24 49:24 50:10 51:2 trustee's 7:6 8:1 9:2,17,19 22:21 23:11 48:22 try 27:4 42:10 51:3 54:19 trying 7:1 43:4 tune 24:21 turn 10:14 50:10 turned 11:7 12:10 37:17 turning 43:22 turns 14:15 30:25 two 14:4 15:2,6,24 19:8 20:7 31:21 33:19 36:8 39:21 48:22 types 32:8	unnecessary 9:3 9:11 unprocessed 32:3 32:7 33:1 34:5 unproduced 53:19 unredacted 18:4,9 unremarkable 37:5 usage 30:1 use 25:12 47:21 usual 20:23 47:13 utilize 40:8 utilized 27:10 utilizing 40:22	40:24,25 41:22 43:4 44:10 45:11 52:22 53:2,11,14 54:6 went 12:21 17:22 26:7 32:14 westminster 42:16 53:7 wherewithal 49:23 winded 35:18 wish 43:9 words 26:14 33:18 34:17 work 27:9 32:4 54:18 working 11:6 27:10 world 25:23 38:2 worth 10:13 36:15 written 36:13 wrong 29:7 wrote 6:14,20
u	v	x
u 56:3 u.s. 2:1,11 18:18 19:2,7 20:1 uh 22:10 unclear 43:19 understand 10:18 18:16 23:4 24:6 27:3,21 33:23 47:14 51:21 54:16 understanding 26:1 52:1 undisclosed 18:19 unidentified 2:13 31:16,18,20,23 united 1:1 universe 21:19 23:2	v 1:6,13,20 vast 22:15 29:2 vendor 8:24 22:6 22:7 48:17 verification 44:25 veritext 57:22 versus 6:22	x 1:3,10,17,23 18:12 56:1
	w	y
	wait 41:2 want 13:18 17:7 17:18 18:19 20:4 23:15 27:4 29:25 31:11,15,20,21,22 38:15 41:19 45:3 46:2 50:24 51:4 53:21,24,25 54:11 wanted 15:15 33:11 49:11 53:22 wants 26:24 40:6 watch 39:11 way 11:7 13:15 15:3 17:10 20:4 26:11 53:8 we've 12:9,16,16 19:25 20:1 25:14 27:9 30:18 35:2 35:25 36:8 38:14	yeah 15:14 17:6 17:21 20:12,19 21:17,18 23:9,14 27:1 38:12 46:22 47:18 53:23 year 7:2 8:9 12:15 14:12 33:1 47:1 years 7:21,23 10:16 12:8,9 24:14 26:7 27:13 48:14 49:20 54:21 yesterday 22:1 york 1:2 2:3,3 4:5 4:16,16,23,23 5:4 5:4,11,11